

ANNUAL REPORT

2019-20



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CONTENT

SR. NO.	PARTICULARS	PAGE NO.
01.	GENERAL INFORMATION	01
02.	NOTICE OF ANNUAL GENERAL MEETING	02
03	DIRECTORS' REPORT	14
04.	MANAGEMENT DISCUSSION AND ANALYSIS REPORT	41
05.	CORPORATE GOVERNANCE REPORT	49
06.	STANDALONE AUDITORS' REPORT	70
07.	STANDALONE BALANCE SHEET	80
08.	STANDALONE PROFIT & LOSS	81
09.	STANDALONE CASH FLOW STATEMENT	82
10.	STANDALONE SCHEDULES	84
11.	CONSOLIDATED AUDITORS' REPORT	110
12.	CONSOLIDATED BALANCE SHEET	116
13.	CONSOLIDATED PROFIT & LOSS	117
14.	CONSOLIDATED CASH FLOW STATEMENT	118
15.	CONSOLIDATED SCHEDULES	119

28th Annual Report for the financial year ended on 31st March, 2020

BOARD OF DIRECTORS:

NAME OF DIRECTOR	DESIGNATION	DIN
Mr. Mahendra Madanlal Chordia	Managing Director	00175686
Mr. Sunny Mahendra Chordia	Wholtime Director	06664041
Mrs. Seema Rajendra Chordia	Wholtime Director	02685866
Mr. Dhruvin Bharat Shah	Independent Director	07528387
Mr. Deep Shailesh Lakhani	Independent Director	08018001
Mr. Umang Mitul Mehta	Independent Director (Appointed w.e.f. 05 th February 2020)	07974230

Chief Financial Officer

Mr. Sanket Sushil Dangi

**Company Secretary
& Compliance Officer**

Mr. Deepak Suthar
(Appointed w.e.f.14th December 2019)

Statutory Auditors

BANSHI JAIN & ASSOCIATES,
Chartered Accountants, Mumbai

Secretarial Auditor

Mr. Deep Omprakash Shukla,
Practicing Company Secretary, Mumbai

Bankers

Union Bank Of India
YES Bank Limited
The Bank of Nova Scotia

Registrar and Share Transfer Agent

M/s. Sharex Dynamic (India) Private Limited C-
101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai –
400083, Maharashtra, India. Tel:
2851 5606/ 5644
Email Id: support@sharexindia.com

Registered Office:

10, Floor-1st, Plot-40/42, Ruby Chambers,
Dhanji Street, Zaveri Bazar, Mumbadevi,
Mandvi, Mumbai, Maharashtra, 400003

Production Unit:

G-10, Suyog Industrial Estate, Gandhi
Nagar, LBS Marg, Vikhroli (West), Mumbai

Branches:

Ahmedabad:	204, Shails Mall, 4th Lane, C.G. Road Ahmedabad-380007
Kolkata:	Office No: 4A , 3rd Floor, Mansarovar, Opp. Vardaan Market, 3B Camac Street, Kolkatta-700016 [W. B.]
Delhi:	XVI/2634M No.103, First Floor, SRM Emporia Mall, Bank Street, Karol Bagh, New Delhi-110005

Information for Members

28th Annual General Meeting

**Tuesday, 29th September, 2020 at 11.00 a.m. (IST)
through Video Conferencing or Other Audio
Visual Means**

The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, 22nd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive)** for the purpose of AGM.

NOTICE

Notice is hereby given that the 28th Annual General Meeting ('AGM') of the Members of **Swarnsarita Gems Limited** ('the Company') will be held on **Tuesday, 29th September, 2020 at 11.00 A.M. (IST)** through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility, in compliance of provisions of the Companies Act, 2013 ('the Act') and rules thereof read with the General Circular No. 14/2020 dated 8th April, 2020, the General Circular No. 17/2020 dated 13th April, 2020 and the General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 to transact the businesses as mentioned below:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2020 together with the Reports of the Board of Directors and Auditor's thereon.

2. Appointment of Mr. Sunny M. Chordia (DIN: 06664041) as director liable to retire by rotation:

To appoint a Director in place of Mr. Sunny M. Chordia (DIN: 06664041), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Umang Mitul Mehta (DIN:07974230) as an Independent Director:

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

"RESOLVED THAT Mr. Umang Mitul Mehta (DIN: 07974230), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 05th February, 2020, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Umang Mitul Mehta (DIN: 07974230), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a

declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing 05th February, 2020 to 04th February, 2025."

**For and on behalf of the Board of Directors
Of Swarnsarita Gems Limited**

.....
Mahendra M. Chordia
Managing Director
DIN: 00175686

Place: Mumbai
Date: 02.09.2020

Registered Address:

10, Floor-1st, Plot-40/42, Ruby Chambers,
Dhanji Street, Zaveri Bazar, Mumbadevi,
Mandvi, Mumbai, Maharashtra, 400003

NOTES:

- I. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business to be transacted at the AGM is annexed hereto.
- II. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, 22nd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive)** for the purpose of AGM.
- III. Pursuant to the provisions of the Companies Act, 2013; a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company.

Since the AGM is being held through VC / OAVM facility pursuant to provisions of the MCA Circular and the SEBI Circular, the facility to appoint a proxy to attend and cast vote for a Member will not be available for the AGM. Accordingly, proxy form and attendance slip are not annexed to the Notice of AGM.

IV. Procedure for attending the AGM through VC / OAVM facility:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as

amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

- Members are encouraged to join the AGM through Laptop / desktop for better experience and use internet with a good speed to avoid any disturbance. Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.swarnsarita.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

V. Inspection Documents :

- Electronic copy of relevant documents referred to in the Notice and Explanatory Statement will be made available through email for inspection by the Members. A Member is requested to send an email to info@swarnsarita.com for the same.
- Electronic copies of necessary statutory registers and auditors' reports / certificates will be available for inspection by the Members at the time of AGM.

VI. Members' Queries :

A Member, who wish to receive information regarding financial statements or matters to be placed at the AGM, can send a request by providing full name, DP ID and Client ID / Folio Number and contact number from the registered e-mail ID to info@swarnsarita.com at least seven days in advance so as to enable the management to keep the information ready.

- VII.** A Member holding shares in electronic form is requested to intimate any change in address or bank details to the Depository Participant with whom the demat account is being

maintained. A Member holding shares in physical form is requested to intimate any change in address or bank details to the Company or the Registrar and Share Transfer Agent.

- VIII. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a Financial Year as per

- IX. the IEPF Rules. Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/ unpaid dividends at the following address: M/s. Sharex Dynamic (India) Private Limited.
- X. Since the AGM will be conducted through VC / OAVM facility, the Route Map is not annexed to the Notice of AGM.

Instructions for E-Voting and procedure for attending the AGM through VC / OAVM facility

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); the Company is pleased to provide the Members the facility to exercise the right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means through National Securities Depository Limited ('NSDL') and the business may be transacted through e-voting services.

The Remote e-voting period commences on Saturday, 26th September, 2020 at 09.00 a.m. (IST) and ends on Monday, 28th September, 2020 at 5.00 p.m. (IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the **Cut-off date i.e. Tuesday, 22 September, 2020** may cast the vote electronically through remote e-voting. The remote e-voting facility shall be disabled by NSDL for voting after 5.00 p.m. on **Monday, 28th September, 2020**. Voting rights shall be reckoned on the number of shares registered in the name of the Member as on the **Cut-off date, i.e. Tuesday, 22nd September, 2020**.

A Member attending the AGM, who has not casted the vote by means of remote e-voting, shall be able to cast the vote at the AGM through e-voting.

Members are requested to follow the instructions given below for casting the votes through e-voting and for attending the meeting through VC / OAVM facility:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to deepsoffice@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@swarnsarita.com & support@sharexindia.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@swarnsarita.com & support@sharexindia.com.

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are

otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

Explanatory Statement – Pursuant to Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

ITEM NO. 3 OF THE NOTICE:

Appointment of Mr. Umang Mitul Mehta (DIN: 07974230) as an Independent Director:

Board of directors of the Company has appointed Mr. Umang Mitul Mehta (DIN: 07974230) as an Additional Director in the category of Independent Director of the Company and who holds office of the Director till the conclusion of ensuing Annual General Meeting. Further, the appointment of Mr. Umang Mitul Mehta is recommended by Nomination and Remuneration Committee, Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Umang Mitul Mehta as an Independent Director of the Company for a consecutive term of five years commencing from 05th February, 2020 to 04th February, 2025.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Further, the Company has received declarations from him stating that he meets the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfils the conditions for the appointment as an Independent Director as specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management of the Company. He is registered with the Databank of Independent Directors.

Brief Profile:

Mr. Umang Mitul Mehta completed his bachelor degree in Commerce (Accounting & Finance) from SIES College of Commerce & Economics, Mumbai. He has good knowledge of Accounting and Finance. He is professional with good experience of Managing Skill and Handling Team. He possesses experience and knowledge of Corporate Affairs.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Umang Mitul Mehta is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the ordinary resolution set forth in Item no.3 for the approval of the members.

**For and on behalf of the Board of Directors
Of Swarnsarita Gems Limited**

.....
Mahendra M. Chordia
Managing Director
DIN: 00175686

Place: Mumbai
Date: 02.09.2020

Registered Address:

10, Floor-1st, Plot-40/42, Ruby Chambers,
Dhanji Street, Zaveri Bazar, Mumbadevi,
Mandvi, Mumbai, Maharashtra, 400003

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

1	Name of Director	Sunny Chordia Mahendra	Umang Mitul Mehta
2	DIN	06664041	07974230
3	Age (in years)	27	27
4	Date of Appointment	17.10.2017	05.02.2020
5	Qualification	He holds Master Degree in Global Management from Regents University, London	He holds Bachelor degree in Commerce (Accounting & Finance)
6	Relationships between directors inter-se	Mr. Mahendra M. Chordia (Father) & Mrs. Seema R. Chordia (Uncle's Wife)	N.A.
7	List of other Indian Public Limited Companies in which Directorship held as on March 31,2020	Swarnsarita Gems Ltd.	N.A.
8	Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2020	N.A.	N.A.
9	Terms and conditions of Appointment/ Reappointment	As per existing terms and conditions	Independent Director – 05 years w. e. f. 05th February, 2020
10	Number of Meetings of the Board attended during the Year	Six	One
11	Directorship and Membership in the committees of other listed Companies	N.A.	N.A.
12	Shareholding of Directors (As on March 31, 2020)(no. of shares holding)	2,37,940	N.A.
13	Nature of expertise	He is expertise in marketing skills especially in overseas market	He is expertise in Business Managements.

DIRECTORS' REPORT

To,
The Members, Swarnsarita Gems Limited
Your Directors have pleasure in presenting their 28th Annual Report on the Audited Statement of Accounts for the Financial Year ended March 31, 2020.

• **FINANCIAL RESULTS:**

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	55873.52	54823.73	55913.86	54884.23
Other Income	712.63	641.82	683.77	609.40
Total Revenue	56586.15	55465.55	56597.63	55493.63
Total Expenses	55817.00	54758.23	55907.56	54773.16
Profit/(Loss) before exceptional and extraordinary items and tax	769.15	707.32	690.07	720.47
Exceptional Items	0.00	0.00	0.00	0.00
Extraordinary Items	0.00	0.00	0.00	0.00
Net Profit Before Tax	769.15	707.32	690.07	720.47
Provision for Tax				
- Current Tax	222.83	220.00	222.83	224.85
- Deferred Tax (Liability)/Assets	(15.89)	2.42	(16.06)	3.11
- Excess/(short) provision for earlier years	31.07	13.36	30.66	13.24
Net Profit After Tax	531.14	471.54	452.64	479.27
Profit/(Loss) from Discontinued operations	0.00	0.00	0.00	0.00
Tax Expense of Discontinued operations	0.00	0.00	0.00	0.00
Profit/(Loss) from Discontinued operations (after tax)	0.00	0.00	0.00	0.00
Profit/(Loss) for the period	531.14	471.54	452.64	479.27
Other Comprehensive Income	0.00	0.00	0.00	0.00
- Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00
- Income tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00
- Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
- Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	531.14	471.54	452.64	479.27
Earnings per equity share (for continuing operation):				
- Basic (In Rs.)	2.54	2.26	2.17	2.30
- Diluted (In Rs.)	2.54	2.26	2.17	2.30

- **REVIEW OF OPERATIONS**

Standalone:

During the year under review, the Standalone total Income was Rs.56,597.63 Lakhs as against Rs.55,493.63 Lakhs for the corresponding previous year.

Total Comprehensive income for the period was Rs.531.14 Lakhs as against Rs.471.54 Lakhs in the corresponding previous year.

Consolidated:

During the year under review, the consolidated total Income was Rs. 56597.63 Lakhs as against Rs. 55493.63 Lakhs for the corresponding previous year.

Total Comprehensive Consolidated income for the period was Rs.452.64 Lakhs as against Rs. 479.27 Lakhs in the corresponding previous year.

- **TRANSFER TO RESERVES:**

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account for the future growth of the Company.

- **COMPANY'S PERFORMANCE AND FUTURE OUTLOOK**

-The shrinking business potential on a long term basis is a cause for concern. Import of gold are coming down in volume terms does not auger well for the growth of the industry.

-Highly fluctuating gold price movement both on account of international price of gold and also on account of INR behavior vs. US\$.

-Extra ordinary Government regulations deployed to control the business in all aspects.

-The effect of Nationwide Lockdown declared by Government due to COVID-19 pandemic in India is yet to be seen fully.

-In a falling interest regime all the assets classes are stagnated including gold that prompts the customer to postpone purchase of gold as an investment to a future date.

- **COVID-19 AND ITS IMPACT:**

COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The Indian Government on March 24, 2020, announced a 21-day complete lockdown across the country, to contain the spread of the virus. The lockdown has since been extended with gradual relaxations. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

However the company believes that the pandemic is not likely to impact the carrying value of its assets. The company continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial results.

• **DIVIDEND:**

In order to conserve the resources for the further growth of the Company, your Directors think fit not to recommend any dividend for the year under review.

• **SHARE CAPITAL:**

The Authorised Share Capital of the Company as on March 31, 2020 is Rs.22,00,00,000.00 (Rupees Twenty Two Crore) divided into 2,20,00,000 (Two Creore Twenty Lakhs) Equity Shares of Rs.10.00 each.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on 31st March, 2020 is Rs. 20,87,68,000.00 comprising of 2,08,76,800 shares of ` 10.00 each. During the year under review, the Company has not issued any equity shares.

• **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Inductions / Appointment or Re-appointment of Director:

At the 27th Annual General Meeting held on September 26, 2019, Mrs. Seema R. Chordia was re-appointed as the Director of the Company, liable to retire by rotation.

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Sunny M. Chordia (DIN: 06664041), Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

Further on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Umang Mitul Mehta (DIN: 07974230) as an Additional (Independent) Directors in their meeting held on 05th February, 2020, in pursuant to section 161 of the Companies Act, 2013 read with Articles of Association of the Company, who shall hold the office till the conclusion of the 28th Annual General Meeting.

The resolutions for confirming the appointment of Mr. Umang Mitul Mehta (DIN: 07974230) as Independent Director, forms part of the Notice convening the 28th Annual General Meeting ('AGM') scheduled to be held on 29th September, 2020.

We seek your support and hope you will enthusiastically vote in confirming their appointment to the Board.

Cessation of Directorship:

The following director was resigned from the Board of the Company:

Sr. no.	Name of the Director	Designation	Date of Resignation
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1	Mr. Durgesh Kumar Kabra	Independent Director	12 th November, 2019
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All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

Further, Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

Sr. No.	Name of KMP	Designation
1.	Mr. Mahendra M. Chordia	Managing Director
2.	Mr. Sunny M. Chordia	Whole-time Director
3.	Mrs. Seema R. Chordia	Whole-time Director
4.	Mr. Sanket Dangi	Chief Financial Officer
5.	Mr. Deepak Suthar	Company Secretary and Compliance Officer (Appointed w.e.f. 14th December, 2019)

• **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3) (c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 the profit and loss of the company for that period;
- 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;
- The directors have prepared the annual accounts on a going concern basis; and
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

• **DECLARATION BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and as amended; all Independent Directors have confirmed that they hold valid registration certificate with the Databank of Independent Directors

After due assessment of veracity of declarations received from Independent Directors to the extent possible, the Board of Directors took on record declarations and confirmations submitted by Independent Directors pursuant to Regulation 25(8) of the SEBI LODR Regulations. The Board of Directors is of the view that Independent Directors fulfill conditions specified in the SEBI LODR Regulations and that they are independent from the management.

- **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Directors expressed satisfaction with the evaluation process.

- **BOARD MEETINGS:**

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 06 (Six) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

- **AUDIT COMMITTEE:**

Your Company has re-constituted an Audit Committee as per the Companies Act, and the Listing Agreement / SEBI (LODR) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

Further, the Audit Committee is functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The other details of the Audit Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

- **NOMINATION AND REMUNERATION COMMITTEE:**

Your Company has re-constituted a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company.

The other details of the Nomination & Remuneration Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

- **COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Your Board has re-constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressed of grievances of shareholders etc. The Committee reviews Shareholder's / Investor's complaints like non-receipt of Annual Report, physical transfer/transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates, etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The other details of the Stakeholders Relationship Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

- **NOMINATION AND REMUNERATION POLICY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The Board of Directors is authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel.

During the year, there have been no changes to the Policy. The same is available on our website www.swarnsarita.com.

- **EXTRACT OF ANNUAL RETURN:**

The Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is hosted on the website of the Company at www.swarnsarita.com also enclosed Annexure I.

- **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as Annexure II and forms part of this Report.

Further, no employee of the Company is earning more than the limits as prescribed pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company.

Further, the names of top ten employees in terms of remuneration drawn are disclosed in Annexure III and forms part of this Report.

• **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Statement AOC-1 pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 regarding Subsidiary Companies is enclosed as Annexure IV to this Report.

• **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations forms a part of this Annual Report as Annexure V.

• **STATUTORY AUDITORS' AND AUDITORS' REPORT:**

The Members of the Company at their 27th annual general meeting held on 29th September, 2019 have appointed M/s Banshi Jain & Associates, Chartered Accountants as the Statutory Auditor of the Company to hold office till the conclusion of the 32nd Annual General Meeting to be held in the year 2024.

A certificate confirming that, requirements prescribed under provisions of Section 141 of the Companies Act, 2013 have been fulfilled, has been received from the Statutory Auditor.

• **SECRETARIAL AUDIT**

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Deep Shukla & Associates, Practicing Company Secretary, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as Annexure VI to this report.

Explanation(s)/ comment(s) pursuant to section 134(3)(f)(i)& (ii), If Any, Of The Companies Act, 2013:

- During the year ended, the Company has received three notices from BSE for the non-appointment of Company Secretary and imposed the penalty, however as informed by the Management that they have requested to forego the levied the fine.
- During the year under review, we have not found any documents related with compliance of IEPF rules, as amended.

• **INTERNAL AUDIT & CONTROLS:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal Control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observation and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Further, M/s. Hiran & Associates, Chartered Accountants issued their Internal Audit Report for the financial year ended 31st March, 2020.

• **EMPLOYEES' STOCK OPTION PLAN:**

The Company has not provided stock options to any employee.

- **RISK MANAGEMENT POLICY:**

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board periodically to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of top 500 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

- **DEPOSITS:**

The Company has not accepted nor renewed any fixed deposits during the FY 2019-2020.

- **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Particulars of loan given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the standalone financial statement. (Please refer to Note Nos. 4 & 5 to the standalone financial statement).

- **INSURANCE:**

The properties/assets of the Company are adequately insured.

- **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company is committed to discharging its social responsibility as a good corporate citizen.

The Board of Directors has framed a policy which lays down a framework in relation to Corporate Social Responsibility of the Company. This policy also lays down to lay down guidelines for the company to make CSR a key business process for sustainable development for the Society. The details of this policy are explained by way of *Annexure VII*.

The Company falling the threshold laid down in section 135 of the Companies Act, 2013, The Company was required to contribute 2% of the Net surplus after tax to Corporate Social Responsibility (CSR) activities as per provisions of the Companies Act, 2013. The Gross amount required to be spent by the company during the year is Rs.12 Lakhs on Corporate Social Responsibility (CSR) activities as per provisions of the Companies Act, 2013.

However, The Company during the year could not contribute the requisite amount towards CSR. Further, The Board of Director of the Company had decided to contribute the amount towards CSR Activities in the month of March 2020. However, The Government of India on March 24, 2020, announced a 21-days complete lockdown across the country, to contain the spread of the Corona virus (COVID-19) due to which the company was not able to spend the amount towards its CSR Obligations.

- **RELATED PARTY TRANSACTIONS:**

Details of material transactions with Related Parties on an arm's length basis with respect to transaction covered under Section 188(1) of the Act in the prescribed Form No. AOC-2 is annexed with this Report and marked as Annexure VIII.

Further, details of Related Party Transaction as required under to be disclosed by Accounting

Standard – 18 on “Related Party Disclosures” specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

• **CORPORATE GOVERNANCE CERTIFICATE:**

The Company conforms to norms of the Corporate Governance as envisaged in the Listing Agreement executed with the stock exchange. Pursuant to provisions of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Report on Corporate Governance forms part of this Annual Report marked as Annexure IX

A certificate from the Statutory Auditor, regarding compliance with conditions of corporate governance as required under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been annexed to the Report on Corporate Governance

• **DISCLOSURE ON COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has set up an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at the workplace. There was no case of sexual harassment reported during the year under review.

• **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy -

Even though its operations are not energy-intensive and manually executed, significant measures are taken to reduce energy consumption by using energy-efficient equipment. The Company regularly reviews power consumption patterns across all locations and implement requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings. Energy costs comprise a very small part of the Company's total cost of operations. However, as a part of the Company's conservation of energy program, the management has appealed to all the employees / workers to conserve energy.

(b) Absorption of Technology -

In this era of competition, in order to maintain and increase the clients and customers, we need to provide best quality services to our clients and customers at minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services.

(c) Research and Development (R&D) -

The Company believes that in order to improve the quality and standards of services, the Company has progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company.

(d) Foreign Exchange Earnings and Outgo -

(Amt. in Lakhs)

Particulars	F.Y 2019-2020	F.Y 2018-2019
C.I.F. Value of Imports	Nil	Nil
F.O.B. Value of Exports	21743.88	24323.27

• **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from

the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. Usually, the Company transfers unclaimed dividend eligible to IEPF authority within statutory timelines. However, during the year under review, due to unavoidable circumstances, the company was unable to transfer the amount to IEPF authority.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs www.iepf.gov.in.

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

- **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

- **SECRETARIAL STANDARDS:**

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

- **LISTING WITH STOCK EXCHANGE:**

The shares of the Company are listed on BSE only.

- **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

- **PREVENTION OF INSIDER TRADING:**

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

- **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

- **ACKNOWLEDGEMENT**

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF SWARNSARITA GEMS LIMITED**

Place : Mumbai

Date: 02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Wholetime Director
DIN: 06664041

Registered Office:

10, Floor-1st, Plot-40/42, Ruby Chambers, Dhanji Street,
Zaveri Bazar, Mumbadevi, Mandvi, Mumbai, Maharashtra, 400003

Annexure I

Extract of Annual Return

As on the financial year ended on March 31, 2020
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS	
CIN	L36911MH1992PLC068283
Registration Date	25-08-1992
Name of the Company	Swarnsarita Gems Ltd.
Category/Sub –Category of the Company	Company Limited By Share/Non Govt Company
Address of the Registered Office and contact Details	10, Floor-1st, Plot-40/42, Ruby Chambers, Dhanji Street, Zaveri Bazar, Mumbadevi, Mandvi, Mumbai, Maharashtra, 400003, Email id: info@swarnsarita.com
Whether listed company	Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Private Limited C-101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai – 400083, Maharashtra, India. Tel: 2851 5606/ 5644

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sr. no.	Name and description of main product/services	Nic code of the product/service*	% to total turnover of the company
a.	Manufacturing of Gold Jewellery	32111	99.26

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of company	CIN	Holding /subsidiary/ associate	Applicable section
1.	Swarnsarita Realty Private Limited Office No.115,Panchratna CHS, Opera House, Mama Parmanand Marg, Mumbai-400004	U45400MH2012PTC232896	SUBSIDIARY	100%

D. SHARE HOLDING PATTERN

i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01-04-2019				No. of shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	986623	0	986623	4.726	4.726
b) Central Govt.	0	0	0	0		0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	9357187	0	9357187	44.821	9357187	0	9357187	44.821	0
e) FI/ BANKS.	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of shares held at the beginning of the year 01-04-2019				No. of shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
f) Any other		0			0				
Sub-total (A) (1):-	9357187	0	9357187	44.821	10343810	0	10343810	49.547	4.726
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0		0	0
(b). Other Individual		0				0		0	0
(c). Bodies Corporates		0				0		0	0
(d). Banks / FI		0				0		0	0
(e). Qualified Foreign Investor		0				0		0	0
(f). Any Other Specify		0				0		0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	9357187	0	9357187	44.821	10343810	0	10343810	49.547	4.726
B. Public Shareholding									
(a). Mutual Funds		0				0		0.000	
(b). Banks / FI		0				0		0.000	
(c). Central Govt.	315518	0	315518	1.511	315518	0	315518	1.511	315518
(d). State Govt.		0				0		0.000	
(e). Venture Capital Funds		0				0		0.000	
(f). Insurance Companies		0				0		0.000	
(g). FIIs		0				0		0.000	
(h). Foreign Venture Capital Funds		0				0		0.000	
(i). Others (specify)		0				0		0.000	
Sub-total (B)(1):-	315518	0	315518	1.511	315518	0	315518	1.511	0
2. Non-Institutions									
a) Bodies Corp. & LLP									
i) Indian	793870	0	793870	3.803	679441	0	679441	3.255	-0.548
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto 1 lakh	1695845	354625	2050470	9.822	1691421	351525	2042946	9.786	-0.036

Category of Shareholders	No. of shares held at the beginning of the year 01-04-2019				No. of shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	total	% of total Shares	Demat	Physical	Total	% of total Shares	
(ii) Individual shareholders holding nominal share capital in excess of `1 lakh	8243067	0	8243067	39.484	7416444	0	7416444	35.525	-3.959
c) others (specify)									
Non Resident Indians	36107	38900	75007	0.359	38284	38900	77184	0.37	0.011
Overseas Corporate Bodies		0				0		0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	41681	0	41681	0.2	1457	0	1457	0.007	-0.193
Trusts		0				0		0	0
Foreign Boodies - D R		0				0		0	
Sub-total (B)(2):-	10810570	393525	11204095	53.668	9827047	390425	10217472	48.943	-4.725
total Public Shareholding (B)=(B) (1)+ (B)(2)	11126088	393525	11519613	55.179	10142565	390425	10532990	50.454	-4.725
C. Shares held by Custodian for GDRs & ADRs		0				0			0
Grand total (A+B+C)	20483275	393525	20876800	100.00	20486375	390425	20876800	100.00	0

ii. Shareholding of Promoters

Sr. no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	M/S. SWARNSARITA JEWELLERS PVT LTD	9357187	44.821	30	9357187	44.821	30	0
2	MR. MAHENDRA MADANLAL CHORDIA	353980	1.696	0	353980	1.696	0	0
3	MR. SUNNY MAHENDRA CHORDIA	209803	1.005	0	237940	1.14	0	0.135
4	MRS. ASHA M CHORDIA	230700	1.105	0	230700	1.105	0	0
5	MR. RAJENDRA MADANLAL CHORDIA	94003	0.45	0	114003	0.546	0	0.096
6	MAHENDRA MADANLAL CHORDIA HUF .	0	0	0	30000	0.144	0	0.072
7	MRS. SEEMA RAJENDRA CHORDIA	0	0	0	20000	0.096	0	0.048

iii. Change in Promoter's Shareholding(Please specify, if there is no change)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the Beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.of shares	
1	SUNNY MAHENDRA CHORDIA	209803	1.005	01-04-2019				
				20-03-2020	13137	Buy	222940	1.068
				27-03-2020	15000	Buy	237940	1.14
	-Closing Balance			31-03-2020			237940	1.14
2	RAJENDRA MADANLAL CHORDIA	94003	0.45	01-04-2019				
				20-03-2020	10000	Buy	104003	0.498
				27-03-2020	10000	Buy	114003	0.546
	-Closing Balance			31-03-2020			114003	0.546
3	MAHENDRA MADANLAL CHORDIA HUF .	0	0	01-04-2019				
				20-03-2020	15000	Buy	15000	0.072
				27-03-2020	15000	Buy	30000	0.144
	-Closing Balance			31-03-2020			30000	0.144
4	SEEMA RAJENDRA CHORDIA	0	0	01-04-2019				
				20-03-2020	10000	Buy	10000	0.048
				27-03-2020	10000	Buy	20000	0.096
	-Closing Balance			31-03-2020			20000	0.096

iv. Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):





SWARN SARITA GEMS LIMITED | ANNUAL REPORT

Sr No	Name	No. of Shares at the beginning /end of the Year	CIN: L26901MH1992PLC068283 % of the Shares of the company	Date	Increasing/ Decreasing in sharehold ing	Reason	2019-2020		% of total Shares of the company
							No. of shares		
1	SHEELA SUNIL KOTHARI	663271	3.177	01-04-2019					
	-Closing Balance			31-03-2020		No Change	663271		3.177
2	JAGDISHCHANDRA JAJOO	483700	2.317	01-04-2019					
	-Closing Balance			31-03-2020		No Change	483700		2.317
3	GRACEUNITED REAL ESTATE PRIVATE LIMITED	382233	1.831	01-04-2019					
				24-05-2019	-275	Sold	381958		1.83
				26-07-2019	-28	Sold	381930		1.829
	-Closing Balance			31-03-2020			381930		1.829
4	SHIVAJIRAO S JONDHALE	370855	1.776	01-04-2019					
	-Closing Balance			31-03-2020		No Change	370855		1.776
5	PIYUSH DILIP NABERA	370673	1.776	01-04-2019					
	-Closing Balance			31-03-2020		No Change	370673		1.776
6	LUXMI KANT GUPTA	310235	1.486	01-04-2019					
				12-04-2019	638	Buy	310873		1.489
				03-05-2019	1000	Buy	311873		1.494
				24-05-2019	4008	Buy	315881		1.513
				31-05-2019	4008	Buy	319889		1.532
				07-06-2019	3880	Buy	323769		1.551
				14-06-2019	20	Buy	323789		1.551
				21-06-2019	1626	Buy	325415		1.559
				29-06-2019	325	Buy	325740		1.56
				05-07-2019	50	Buy	325790		1.561
				19-07-2019	3703	Buy	329493		1.578
				26-07-2019	1666	Buy	331159		1.586
				02-08-2019	1802	Buy	332961		1.595
				09-08-2019	170	Buy	333131		1.596
				16-08-2019	20	Buy	333151		1.596
				13-09-2019	3252	Buy	336403		1.611
				20-09-2019	109	Buy	336512		1.612
				27-09-2019	1452	Buy	337964		1.619
				04-10-2019	3251	Buy	341215		1.634
				11-10-2019	1204	Buy	342419		1.64
				08-11-2019	330	Buy	342749		1.642
				29-11-2019	2759	Buy	345508		1.655
				06-12-2019	1955	Buy	347463		1.664
				13-12-2019	1000	Buy	348463		1.669

		SWARNSARITA GEMS LIMITED				ANNUAL REPORT		
				20-12-2019	3001	Buy	331164	1.684
		CIN: L36911MH1972PL2068283	2000	20-12-2019	2000	Buy	331164	1.693
				17-01-2020	1708	Buy	355172	1.701
				31-01-2020	1000	Buy	356172	1.706
				07-02-2020	1000	Buy	357172	1.711
				14-02-2020	1000	Buy	358172	1.716
				28-02-2020	1000	Buy	359172	1.72
				06-03-2020	2713	Buy	361885	1.733
				13-03-2020	3000	Buy	364885	1.748
				20-03-2020	1000	Buy	365885	1.753
				27-03-2020	2000	Buy	367885	1.762
	-Closing Balance			31-03-2020	1000	Buy	368885	1.767
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	315518	1.511	01-04-2019				
	-Closing Balance			31-03-2020		No Change	315518	1.511
8	KANTADEVI MAHESHWARI	125000	0.599	01-04-2019				
				27-09-2019	100000	Buy	225000	1.078
	-Closing Balance			31-03-2020			225000	1.078
9	KISHANLAL LIKHAMICHAND BOTHRA HUF	208262	0.998	01-04-2019				
	-Closing Balance			31-03-2020		No Change	208262	0.998
10	SADHANA NABERA	206150	0.987	01-04-2019				
	-Closing Balance			31-03-2020		No Change	206150	0.987

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding			Cumulative Shareholding during the year			
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No. of shares	% of total Shares of the company
No Records Found!!								

E. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1309190243	0.00	0.00	1309190243
ii) Interest due but not paid		0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1309190243	0.00	0.00	1309190243

Change in Indebtedness during the financial year				
* Addition	0	0.00	0.00	0
* Reduction	297508942	0.00	0.00	297508942
net Change	297508942	0.00	0.00	297508942
Indebtedness at the end of the financial year				
i) Principal Amount	1011681301	0.00	0.00	1011681301
ii) Interest due but not paid		0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1011681301	0.00	0.00	1011681301

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Mahendra M. Chordia (MD)	Mr. Sunny M. Chordia (WtD)	Mrs. Seema R. Chordia (WtD)	
1	Gross salary	7,200,000.00	4,800,000.00	2,400,000.00	14,400,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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 (A)	7,200,000.00	4,800,000.00	2,400,000.00	14,400,000.00
	Ceiling as per the Act	8,400,000.00	8,400,000.00	8,400,000.00	

B. Remuneration to other directors:

Sn.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	-	-
	• Fee for attending board / committee meetings	-	-
	• Commission		
	• Others, please specify	-	-
	Total (1)	-	
2	Other Non-Executive Directors	-	-
	• Fee for attending board committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

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

Sn	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (MR. DEEPAK SUTHAR) Appointed w.e.f. 14 th Dec. 2020	CFO (MR. SANKET DANGI)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	92,761.00	15,00,000.00	15,92,761.00
	(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	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	92,761.00	15,00,000.00	15,92,761.00

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)
Penalty			none		
Punishment					
Compounding					
C. Other officers in default					
Penalty			none		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place : Mumbai Date:02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Wholetime Director
DIN: 06664041

Registered Office:

10, Floor-1st, Plot-40/42, Ruby Chambers,
Dhanji Street, Zaveri Bazar, Mumbadevi, Mandvi, Mumbai,
Maharashtra, 400003

ANNEXURE II

Particulars of employee

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2019-20:

name of the Directors	Remuneration of each Director for the F.Y. 2019-20 in (Rs.)	Ratio of remuneration of each Directors to Median remuneration of employees
Mahendra M. Chordia	72,00,000	38.92:1
Sunny M. Chordia	48,00,000	25.94:1
Seema R Chordia	24,00,000	12.97:1

- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the Financial Year 2019-20.

name & Designation	Remuneration of each Director & KMP for Financial Year 2019-20 in (Rs.)	% increase/(decrease) in remuneration in the Financial Year 2019-20
Mahendra M. Chordia	72,00,000	-
Sunny M. Chordia	48,00,000	-
Seema R Chordia	24,00,000	-
Sanket Dangi, CFO	15,00,000	8.48
Deepak Suthar, Company Secretary (Appointed w.e.f. 14 th Dec. 2019)	92,761	-

MD - Managing Director, WTD- Whole Time Director, ED- Executive Director. CFO – Chief Financial Officer, CS -Company Secretary

notes:

1. Median remuneration of all the employees of the Company for the financial year 2019-2020 is Rs1,56,843.00

- iii. The percentage increase/decrease in the median remuneration of employees in the financial year 2019-2020

Particulars	Financial Year 2019-20 (Rs)	Financial Year 2018-19 (Rs.)	Increase (%)
Median remuneration of all employees	1,56,843.00	1,85,000.00	decreased

Note: The calculation of % increase in the median remuneration has been done based on comparable employees.

- iv. **The number of permanent employees on the rolls of Company.**

There were 183 permanent employees on the roll of Company as on March 31, 2020.

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification hereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

- Average increase in the remuneration of all employees excluding KMPs:
- Average increase in the remuneration of KMPs: 01.69%

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date: 02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Wholetime Director
DIN: 06664041

ANNEXURE - III

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2)(a) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

names of employees	Designation/ nature of Duties	Remunerat- on Received [] p.a.	Qualificati on	exp- rience in years	Age in years	Date of commen- cement of employment	Last employ- ment held	% of share- holding
Mr. Sunny Mahendra Chordia	Whole-time Director	48,00,000.00	Master in Global Management	4 year	27	17/10/2017	Swarnsarita Gems Ltd	1.14
Mr. Mahendra Madanlal Chordia	Managing Director	72,00,000.00	Graduate	23 Years	52	07/03/2011	Swarnsarita Jewellers Private Limited	1.696
Ms. Seema Rajendra Chordia	Whole-time Director	24,00,000.00	HSC	13 Years	45	17/10/2017	Swarnsarita Gems Ltd	0.096
Mr. Sanket Dangi	CFO	15,00,000.00	MBA	6 Years	33	05/07/2015	ICICI BANK LTD	NIL
Mrs.Rajul Chordia	Kolkata Designer Jewellery Analyst	28,80,000.00	Graduate	2 years	25	01/04/2018	NIL	NIL
Mr. Lalit S Chordia	V.P. Diamond Division	15,00,000.00	Graduate	15 Years	41	01/10/2012	NA	NIL
Mr. Rajendra M Chordia	V.P. Gold division	24,00,000.00	Graduate	17 Years	46	01/07/2017	Swarnsarita Jewellers Private Limited	0.546
Ms. Nishita Chordia	V.P. Manufacturing Division	24,00,000.00	Graduate	2 Years	22	01/04/2018	NA	NIL
Mrs. Asha M Chordia	Design Research Analyst	24,00,000.00	HSC	12 Years	48	17/10/2017	Swarnsarita Jewellers Private Limited	1.105
Mr.Pankaj K Kharwad	President Manufacturing Devision	15,00,000.00	Graduate	15 Years	43	01/07/2011	N.A.	NIL

the below employees are related to the Directors of the Company.

names of employees	names of employees who are relatives of any Director
Mr. Mahendra M. Chordia	Mrs. Asha M. Chordia (Wife) & Mr. Sunny M. Chordia (Son)
Mrs. Seema R. Chordia	Mr. Mahendra M. Chordia (Husband's Brother)
Mr. Sunny Mahendra Chordia	Mr. Mahendra M. Chordia (Father)
Mrs. Rajul Chordia	Mr. Sunny M Chordia (Wife)
Mr. Rajendra M Chordia	Mrs. Seema R Chordia (Husband) Mr. Mahendra M Chordia (Brother)
Mrs. Nishita Chordia	Mr. Mahendra M Chordia (Father) Mr. Sunny M Chordia (Brother)

For and on behalf of the Board of Directors

Place : Mumbai
Date: 02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Wholetime Director
DIN: 06664041]

ANNEXURE - IV

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs.)

1.	Sl. no.	1
2.	name of the subsidiary	M/s. Swarnsarita Realty Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2020
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5.	Share capital	1000.00
6.	Reserves & surplus	(56.63)
7.	total assets	2147.67
8.	total Liabilities	2147.67
9.	Investments	0.00
10.	turnover	38.95
11.	Profit before taxation	(79.08)
12.	Provision for taxation	0
13.	Profit after taxation	(78.50)
14.	Proposed Dividend	0
15.	% of shareholding	100%

**For and on behalf of the Board of Directors
of Swarnsarita Gems Limited**

Place: Mumbai

Date: 02.09.2020

Mahendra M. Chordia
Managing Director
DIn: 00175686

Sunny M. Chordia
Whole-time Director
[DIn: 06664041]

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

name of Associates/Joint Ventures	nIL
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
i. Not Considered in Consolidation	

**For and on behalf of the Board of Directors
of Swarnsarita Gems Limited**

**Place : Mumbai
Date: 02.09.2020**

**Mahendra M. Chordia
Managing Director
DIN: 00175686**

**Sunny M. Chordia
Whole-time Director
DIN: 0666404**

Annexure -V**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The company is in the business of diamond studded jewellery. Consistent supply of diamond studded jewellery of desired quality, at a competitive price is one of the critical success factors of the company's business. The company supplies the jewellery to wholesalers, jewellery manufacturers, traders and retailers based in overseas market.

Industry Structure and Developments

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfill their changing demands better than the local unorganised players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

Segment Wise Performance of the Company

The company has only one segments i.e. Diamond studded Jewellery.

Outlook

The Jewelry business will continue its growth path through various initiatives, including launching of new collections & Designs, increasing share of studded jewelry and achieving design leadership. In coming year the Company would drive for strong and profitable growth in all its consumer businesses.

Risk and Concerns

Looking at the scenario in India in case of gems and jewellery industry, Risks associated with operating in a particular industry and include risks arising from demand changes, changes in customers choice and industry changes. Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. Forex risks could arise from the company being exposed to foreign currency fluctuations which could impact its rupee earnings. Diamond prices usually are not very volatile over a long period of time. Company after take into consideration impact of corona virus (COVID-19) has planned to reduce its effect on the organization.

Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in the government regulations, tax laws, statutes and other incidental factors as applicable to the company.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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

SWARNSARITA GEMS LIMITED

Regd. Office: 125/127, Daya Mandir, 6th Floor,
Room No. 5 to 10, Mumbadevi, Mumbai - 400003.
Maharashtra, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Swarnsarita Gems Limited (hereinafter called the Company). In light of ongoing COVID-19 pandemic situation, due to limitations of physical verifications of various records, 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 said 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, *(subject to the observations mentioned in this report)* in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(to the extent as may be applicable to the Company)*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 *(Not Applicable to the Company during the Audit Period)*;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during the Audit Period)*;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit Period)*;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit Period)*; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during the Audit Period)*;
- (vi) There were no other specific laws applicable to the Company, taking into consideration the business operations of the Company

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

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

- During the year ended, the Company has received three notices from BSE for the non-appointment of Company Secretary and imposed the penalty, however as informed by the Management that they have requested to forego the levied the fine.
- During the year under review, we have not found any documents related with compliance of IEPF rules, as amended.

I further report that:

- 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 that took place during the period under review were carried out in compliance with the provisions of the Act.

- 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.
- All the resolutions were passed with consent of majority Directors and minutes were prepared accordingly.

I 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.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

**For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES**

**Place: Mumbai
Date : 01.09.2020**

**DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP. NO.5364
UDIN: F005652B000640693**

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To
The Members
SWARNSARITA GEMS LIMITED

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

Place: Mumbai
Date : 01.09.2020

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652B000640693

*Annexure – VII***CSR POLICY****OBJECTIVE**

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on immediate and long term social and environmental consequences of their activities. SGL will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

AREAS TO BE COVERED

The poor and needy Section of the Society living in and around the factory vicinity at different parts of India would normally be covered. The CSR Program will also cover the promoting education, including education and employment enhancing vocation skills.

For carrying out CSR activities, 80% of the budgeted amount should be spent within the radius of 50 Km of the Company's factory and 20% of the budget would be spent on CSR activities within the other part of the State or Country.

SCOPE

Education;
Water Supply including drinking water;
Health care by providing Indoor medical facilities and medicines;
Environment;
Social Empowerment;
Infrastructure for Village Electricity/Solar Light/Wind Mill etc. Recurring expenditure should be borne by the beneficiaries;
Sports and culture.
Generation of employment & setting up Co-operative Society.
Infrastructure Support
Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.
Heritage sites in the CSR purview ensuring involvement of employee's representatives in this Project.
Empowerment of women for education/health & self-employment
Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
Disaster Management Activities including those related to amelioration/ Mitigation.
Collection of old cloths from the employees and distribution in the nearby village by utilizing the platform of Mahila Sabha of the Company, Club (Executives & Non-executives) and Women in Public Sector.
Development of smokeless fuel out of coal and also arrangement for distribution of efficient Chula to the villagers.
Adoption of village for carrying out the activities like infrastructural development e.g. Road, water

supply, electricity and community center etc.

The above list is illustrative and not exhaustive. Audit Committee shall be authorized to consider CSR activities not falling in this list.

The activities will be specific to the village depending on the need assessed for the people. As far as possible efforts will be made to co-ordinate with similar CSR activities that are taken up by the Central or State Government.

All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF SWARNSARITA GEMS LIMITED**

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

Date: 02.09.2020
Place: Mumbai

FORM -AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis – NIL.
2. Details of contracts or arrangements or transactions at Arm's length basis:

Sr. no.	Particulars	Description		
a)	Name (s) of the related party & nature of relationship	Mr. Rajendra m. Chordia (MD's Brother)	Mrs. Seema R. Chordia (MD's Brother Wife)	Mrs. Asha M. Chordia (MD's Wife)
b)	Nature of contracts/ arrangements/transaction	Remu-neration	Remu-neration	Remu-neration
c)	Duration of the contracts/ arrangements/transaction	Not Applicable	5 Years	From 18/10/2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.2.00 Lakhs .M.	Rs. 2.00 Lakhs .M.	Rs. 2.40 Lakhs
e)	Date of approval by the Board	01.07.2017	01.07.2017	14.11.2017
f)	Amount paid as advances, if any	-	-	-

**For and on behalf of the Board of Directors
Of Swarnsarita Gems Limited**

**Place : Mumbai
Date: 02.09.2020**

**Sunny M. Chordia
Whole-time Director
DIN:06664041**

**Mahendra M. Chordia
Managing Director
DIN: 00175686**

ANNEXURE – IX**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

- **INTRODUCTION:**

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

- **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

At SWARNSARITA GEMS LTD., ('the Company'), the adherence to the Corporate Governance practices not only justifies the legal obedience of the laws but dwells deeper, conforming to the ethical leadership and stability. It is the sense of good governance that our leaders portray which trickles down to the wider management and is further maintained across the entire functioning of the Company. Your Company envisages the importance of building trust and integrity through transparent and accountable communication with the internal and external stakeholders as well as the customers of the Company. This involves keeping the stakeholders of the Company updated on a timely basis about the development, the plans and the performance of the Company with a view to establish the long term affiliations. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

The Board of Directors fully supports and endorses the Corporate Governance practices in accordance with the provisions of applicable regulations of the SEBI (LODR) Regulations, 2015 with the Stock Exchange and the Voluntary Corporate Governance Guidelines to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the said regulations and listed below is the status with regard to the same.

The Company continues to undertake an Audit of its secretarial records and documents by a Practicing Company Secretary in respect of compliance with the applicable provisions of the Act, Listing Agreement with the Indian Stock Exchanges and the applicable regulations and guidelines issued by Securities and Exchange Board of India. A copy of Secretarial Audit Report for the period under review is a part of the Annual Report.

- **CORPORATE CODE OF CONDUCT**

The activities and conduct of the company and its employees are governed by the code of conduct of the company. The major salutary principles prescribed by the code of conduct are:

- 1) Conduct of business in consonance with national interest.
- 2) Fair and accurate presentation of Financial Statements.
- 3) Maintaining quality of Product and services.
- 4) Being a good corporate citizen.
- 5) Ethical conduct.
- 6) Commitment to enhance shareholder value & statutory compliance.

- **BOARD OF DIRECTORS**

The Board of Directors ("the Board") of your Company provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The

Board plays a crucial role of piloting the Company towards enhancement of the short and long term value interests of the stakeholders. The Board comprises of the members distinguished in various fields such as management, finance, law, marketing, technology and strategic planning. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe.

1. As on March 31, 2020, the Board comprised of 06 (Six) Directors of which 3 (Three) are Non-Executive Independent Directors and 03 (Three) are Executive Directors.
2. The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the Financial Year 2019-2020, 06 (Six) Board Meetings were held on 29/05/2019, 14/08/2019, 14/11/2019, 14/12/2019, 05/02/2020 and 13/02/2020. Time gap between any two meetings was not more than 120 days.
3. Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on September 26, 2019, Directorships and Committee Memberships are as under:

Name of the Director	Category	No. of Board Meetings Attended during the year	No. of Equity Shares held as on March 31, 2020	Attendance at previous AGM Held on 26.09.2019 (Y-Yes, N-No)	Directorship in other Companies (Including Private Companies)		Committee Membership(s) of other Companies	
					Listed	Other Companies	Chairman-ship	Member-ship
Mr. Mahendra M. Chordia	Managing Director	6	3,53,980	Yes	NIL	2	NIL	NIL
Mr. Sunny M. Chordia	Whole Time Director	6	2,37,940	Yes	NIL	1	NIL	NIL
Mrs. Seema R. Chordia	Whole Time Director	6	1,14,003	Yes	NIL	NIL	NIL	NIL
Mr. Durgesh Kumar Kabra (Resigned w.e.f. 12.11.2019)	Non Executive Independent Director	0	NIL	Yes	NIL	1	NIL	NIL
Mr. Umang Mitul Mehta (Appointed w.e.f. 05.02.2020)	Non Executive Independent Director	1	NIL	No	NIL	NIL	NIL	NIL
Mr. Deep Shailesh Lakhani	Non-Executive Independent Director	6	NIL	No	NIL	1	NIL	NIL
Mr. Dhruvin B. Shah	Non-Executive Independent Director	6	NIL	Yes	NIL	1	NIL	NIL

4. The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.
5. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at www.swarnsarita.com
6. During the year 2019-20, one meeting of the Independent Directors was held on February 13, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.
7. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
8. The details of the familiarization programme of the Independent Directors are available on the website of the Company.

• **AVAILABILITY OF INFORMATION TO BOARD MEMBERS:**

The Board has unrestricted access to all Company related information including that of our employees. Regular updates provided to the Board include:

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- L. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- M. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer.

• **COMMITTEES OF BOARD OF DIRECTORS:**

There are three Board Committees which comprise of Two Statutory Committees and One non-mandatory Committee that have been formed considering the needs of the Company and best practices in Corporate Governance as on March 31, 2020, which are as follows:

name of the Committee	extract of terms of Reference	Category and Composition		other Details
Audit Committee	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act 2013.</p> <ul style="list-style-type: none"> Oversight of financial reporting process. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval. Evaluation of internal financial controls and risk management systems. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. 	Name of Director	Category	<ul style="list-style-type: none"> During the Financial Year 2019-20, 4 (Four) meetings of the Audit Committee were held on 29/05/2019, 14/08/2019, 14/11/2019 and 13/02/2020. The time gap between two meetings did not exceed one hundred and twenty days and the Company has complied with all the requirements as mentioned under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and Internal Auditors to be present at its meetings.
		Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	
		Deep Shailesh Lakhani (Member)	Independent, Non-Executive	
		Durgesh Kumar Kabra (Member) (Resigned w.e.f. 12.11.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Appointed 14.11.2020)	Non-Independent, Executive	
		Umang Mitul Mehta (Member) (Appointed W.e.f. 05.02.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Resigned 05.02.2020)	Non-Independent, Executive	

Name of the Committee	Extract of terms of Reference	Category and Composition		Other Details
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Committee is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013. Recommend to the Board the setup and composition of the Board and its committees. Recommend to the Board the Appointment /Re – appointment of Directors and Key Managerial Personnel. Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees. Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning Oversee familiarization programmes for directors. Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies. 	Name of Director	Category	<ul style="list-style-type: none"> During the Financial Year 2019-20, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 29/05/2019, 14/08/2019, 14/11/2019 and 13/02/2020. The Company does not have any Employee Stock Option Scheme. Details of Performance Evaluation Criteria and Remuneration Policy are detailed below this table.
		Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	
		Deep Shailesh Lakhani (Member)	Independent, Non-Executive	
		Durgesh Kumar Kabra (Member) (Resigned w.e.f. 12.11.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Appointed 14.11.2020)	Non-Independent, Executive	
		Umang Mitul Mehta (Member) (Appointed W.e.f. 05.02.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Resigned 05.02.2020)	Non-Independent, Executive	
		Mr. Ashok Surana (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	
		Mr. Vishal Nolkha (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	

Name of the Committee	Extract of terms of Reference	Category and Composition		Other Details
Stakeholders Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with section 178 of the Companies Act, 2013.	Name of Director	Category	<ul style="list-style-type: none"> During the Financial Year 2019-20, 06 (Six) Meeting of the Stakeholders Relationship Committee was held on 29/05/2019, 15/06/2019, 14/08/2019, 23/08/2019 14/11/2019 and 13/02/2020. Details of Investor complaints and Compliance Officer are given below this table.
		Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	
		Deep Shailesh Lakhani (Member)	Independent, Non-Executive	
		Durgesh Kumar Kabra (Member) (Resigned w.e.f. 12.11.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Appointed w.e.f. 14.11.2020)	Non-Independent, Executive	
		Umang Mitul Mehta (Member) (Appointed w.e.f. 05.02.2020)	Independent, Non-Executive	
		Sunny Mahendra Chordia (Member) (Resigned w.e.f. 05.02.2020)	Non-Independent, Executive	

• NOMINATION AND REMUNERATION COMMITTEE DETAILS:-

Remuneration Policy for Key Managerial Personnel and other Employees of the Company

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective April 1, each year. The Nomination and Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

Performance evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

Remuneration Policy for Key Managerial Personnel and other employees of the Company:

As per listing regulation the Company is required to frame Remuneration Policy for Key Managerial

Personnel and Other employees. The Nomination and Remuneration Committee are responsible for Identifying suitable person eligible to become director and recommend to the Board their appointment and removal. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

a. Remuneration paid to the Managing Director as on March 31, 2020:

(` in Lakhs)

name of Managing Director	Remuneration for FY 2019-20	Benefits, Perquisites and Allowances	Commission	eSPS	total
Mr. Mahendra Madanlal Chordia	72.00	NIL	NIL	NIL	72.00

b. Remuneration of the executive Directors

The Remuneration Committee of the Board is authorized to decide the remuneration of the Whole Time Directors (WTD) and others Executive Directors subject to the approval of the Members and the Central Government, if required. The details of remuneration of the WTD and others Directors for the year ended March 31, 2020 are as under:

(Rs. in Lakhs)

Director	Remuneration for FY 2019-20	Benefits, Perquisites and Allowances	Commission	eSPS	total
Mr. Sunny M. Chordia (Whole Time Director)	48.00	NIL	NIL	NIL	48.00
Mrs. Seema R. Chordia (Whole Time Director)	24.00	NIL	NIL	NIL	24.00

• STAKEHOLDERS RELATIONSHIP COMMITTEE DETAILS:-

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

Details of complaints received and resolved during the Financial Year 2019-20:

Particulars	number of Compliant
Opening as on April 1, 2019	0
Received during the year	0
Resolved during the year	0
Closing as on March 31, 2020	0

• TRAINING FOR BOARD MEMBERS

The Company has put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentation was made for the newly appointed Independent

Directors to make them aware of their roles & duties and Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company & its subsidiaries, quarterly/ annual financial results, revenue and capital budget, review of Internal Audit findings etc.

The details of such familiarization programmes are disclosed on the Company's website at the link www.swarnsarita.com

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The performance of individual Directors including the Chairman of the Board was evaluated on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at its meeting. The Directors expressed their satisfaction with the evaluation process.

DISCLOSURES:

i. Skills matrix for the Directors

The Board of Directors of the Company comprises members, who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees.

Skill	Skill definitions
Strategy and Strategic Planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability.
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and shareholders; understanding of control environments and ability to ensure adherence to highest standards of corporate governance.
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting market
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis.
Industry Knowledge	Experience and knowledge with respect to pig iron and foundry industry
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements; ability to evaluate merger / acquisition decisions and execute the same effectively, including integration of operations.
Technology	Ability to anticipate changes in technology, drive product and process innovation.

Legal and Regulatory Knowledge	Understanding of regulatory and legal frameworks.
--------------------------------	---

Table given below summarizes key skills and expertise possessed by the Board of Directors :

Name of director	Skills							
	Strategy and strategic planning	Corporate governance	Business acumen	Leadership	Industry knowledge	Financial skills	Technology	Legal and regulatory Knowledge
Mr. Mahendra M. Chordia	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunny M. Chordia	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Seema R. Chordia	✓	✓	✓	✓	✓	✓	✓	
Mr. Deep Shailesh Lakhani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Umang Mitul Mehta	✓	✓	✓	✓	✓	✓	✓	
Mr. Dhruvin B. Shah	✓	✓	✓	✓	✓	✓	✓	✓

ii. Related Party transactions

The transactions with related parties as per Ind AS are set out in Notes to accounts under Note no. 29 forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the relevant Ind-AS have been made in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link: www.swarnsarita.com

iii. Disclosures from Senior Management

In Compliance with Regulation 26 of the SEBI (LODR) Regulations, 2015, disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

iv. Compliances by the Company

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market.

No other penalties/strictures imposed on company by any other Regulatory Authority on any matter related to capital market during the year 2019-20.

v. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the

event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

- a. Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.
- b. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- c. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
- d. Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy are reviewed by the Audit Committee at its meeting held every quarter. In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India; the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

vi. Managing Director Certification

Certification on financial statements has been obtained from the Managing Director of the Company. Extract of the same is given at the end of this Report.

vii. Code of Conduct for Directors and Senior Management

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the link www.swarnsarita.com

viii. Code of Conduct for Prohibition of Insider trading

The Company has framed Swarnsarita Gems Limited's Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company sends intimations to Stock Exchange from time to time.

ix. Subsidiary Companies

As on March 31, 2020, the Company has 01 (One) wholly owned unlisted Indian subsidiary company.

x. Risk Management & Internal Control

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and

Analysis Report' which forms part of this Annual Report. The Company has a competent in House Internal Audit team which prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, administration,

legal and business development etc. across different geographies. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

xi. Sexual Harassment Policy

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints received by the Sexual Harassment Committee with details of action taken thereon are reviewed by the Audit Committee at its meeting held every quarter. The Company has a zero tolerance policy towards such complaints and the same is conveyed to the employees at the time of induction.

xii. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of this Annual Report.

xiii. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

xiv. Share Reconciliation Audit

As stipulated by SEBI, M/s. Deep Shukla & Associates, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

xv. Mandatory Requirements of Regulation 27

The Company has complied with all applicable mandatory requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015.

xvi. Non-Mandatory Requirements:

- The Company has adopted the following non-mandatory requirements:

a) Shareholders' Rights

- Since financial results are available at websites of BSE Limited and the Company and are also published in national and regional newspapers, the same are not sent individually to each member.

b) Audit Qualifications

- The Company adopts best practices to ensure unmodified financial statements. There are no audit qualifications in the Company's financial statements for the year ended March 31, 2020.

c) Reporting of Internal Auditor:

- Internal Auditor reports to the Audit Committee and has direct access to the Audit Committee.

- d)** The Company has not raised any funds through preferential allotment or qualified institutions during the year under review. Hence, no disclosure is required pursuant to Regulation 32(7A) of the SEBI LODR Regulations.

- e)** CEO / CFO Certification A certificate signed by the Managing Director and the Chief Financial Officer

confirming compliance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the meeting of the Board of Directors held on 9th July, 2020.

• **CREDIT RATINGS OBTAINED:**

Acuité has reaffirmed the long-term rating of 'ACUITE BB+' (read as ACUITE double B plus) on the Rs.100.00 crore bank facilities of Swarnsarita Gems Limited (SGL). The outlook is 'Stable'.

• **GENERAL BODY MEETINGS**

Venue, day, date and time of last three AGMs:

Financial Year	Date of the AGM	Location	time	Special Resolution passed
2016-2017	26th September, 2017	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	3
2017-2018	26th September, 2018	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	1
2018-2019	26 th September 2019	Balbhawan, Ghatkopar Balkan Ji Bari Marg, Opposite Rajwadi Garden, Ghatkopar East, Mumbai 400077, Maharashtra, India	10:00 A.M.	NIL

• **MEANS OF COMMUNICATION:**

The announcement of Quarterly, Half Yearly and Annual Financial Results to the Stock Exchanges in PDF format. The Quarterly, Half Yearly and Annual Consolidated Financial Results are normally published in English and regional newspapers. The following information is promptly uploaded on the Company's website viz. www.swarnsarita.com

- Standalone and Consolidated Financial Results.
- Shareholding pattern and Corporate Governance compliance reports filed with Stock Exchanges on Quarterly basis.

GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Day	Tuesday
Date	29th September, 2020
Time	11.00 a.m. (IST)
Mode	Through Video Conferencing / Other Audio Video Means

ii. Financial year

April 01 to March 31

Financial Calendar (Tentative) – Financial Year 2020-2021

1st Quarter	First/Second Week of August, 2020
2nd Quarter	First/Second Week of November, 2020
3rd Quarter	First/Second Week of February, 2021
4th Quarter	Third/fourth Week of May, 2021

iii. Dates of Book Closure (both days inclusive)

Tuesday, September 22, 2020 to Tuesday, September 29, 2020.

iv. Dividend

With the view to conserve cash reserves to meet current financial obligation of the Company, the Directors of your Company do not recommend any dividend for financial year 2019-2020.

v. Listing on Stock exchange and Payment of Listing Fees

The equity shares of the Company are listed on the BSE Limited (BSE). Annual Listing fees for the Financial Year 2019-2020 were paid by the Company to BSE in time.

vi. Custodian Fees to Depositories

The Company has paid fees for year ended 2019-2020 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in time.

vii. (a) Stock Code / Symbol

BSE	526365
ISIN in (NSDL and CDSL)	INE967A01012
Corporate Identity Number (CIN)	L36911MH1992PLC068283

Market Price Data

The market price data i.e. monthly high and low prices of the Company's shares on BSE are given below:

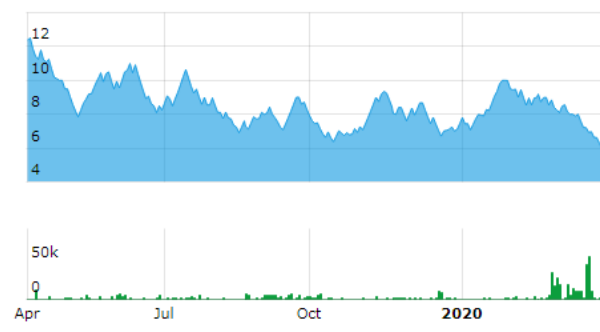
Year	Month	High (In Rs.)	Low (In Rs.)
2019	April	12.39	09.50
	May	10.45	07.85
	June	11.00	08.10
	July	10.64	08.11
	August	08.13	06.91
	September	09.01	07.08
	October	07.93	06.38
	November	09.35	07.08
	December	08.68	06.71
2020	January	10.00	07.08
	February	09.45	08.10
	March	08.56	06.00

Performance in comparison:

The company Fully Paid Share Price versus BSE Sensex:



BSE Sensex



Share Price

viii. REGISTRAR& SHARES TRANSFER AGENT:

Sharex Dynamic (India) Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai – 400083, Maharashtra, India.
Tel: 2851 5606/ 5644
Email Id: support@sharexindia.com

ix. Share transfer System

Shares sent for transfer in physical to Sharex (India) Private Limited (R&T Agents), are registered and returned with a period of 30 days from the date of receipt, if the documents are in order. The Stakeholders Relationship Committee meets to consider and approve the share transfer proposal. All requests for dematerialization of shares are processed by the Company and Sharex (India) Private Limited within 21 days.

Share Holding(nominal Value) Rs.	nominal Capital		nominal Capital	
	no.	%	no.	%
Upto 5,000	5409	87.58	71,57,350	3.43
5,001-10,000	301	4.87	24,99,110	1.18
10,001-20,000	160	2.59	25,49,400	1.22
20,001-30,000	80	1.30	2,07,945	0.10
30,001-40,000	25	0.41	9,00,120	0.43
40,001-50,000	33	0.53	1,57,433	0.08
50,001-1,00,000	68	1.10	50,77,670	2.43
100,001 and above	100	1.62	18,69,30,570	89.54
total	6176	100	208768000	100.00

xi. Shareholding Pattern as on 31st March, 2020.

Category	No. of Shares held	% of holding
Promoters	10343810	49.55
Financial Institutions, Insurance Companies, Banks and Mutual Funds, etc.	0	0
Foreign Institutional Investors	0	0
Bodies Corporate	679441	3.26
NRIs / OCBs	77184	0.37
Indian Public	9459390	45.31
Clearing Members	1457	0.01
IEPF	315518	1.51
total	20876800	100.00

xii. Dematerialization of Shares and Liquidity

Trading in the Company's shares is permitted only in dematerialized form. The Company has established connectivity with both the Depositories viz. CDSL through its Registrar & Share Transfer Agents, whereby the investors have the option to dematerialize their shares with either of the depositories. The Company obtains a certificate from a Practicing Company Secretary every quarter, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialized form with CDSL and shares in physical form.

Shares held in dematerialized and physical form as on March 31, 2020

Particulars	No. of Share Capital	% to total Share Capital
Dematerialized Form:		
NSDL	15434166	73.93
CDSL	5052209	24.20
Physical Form	390425	1.87
total	20876800	100.00

xiii. Address for Correspondence

10, Floor-1st, Plot-40/42, Ruby Chambers, Dhanji Street,
Zaveri Bazar, Mumbadevi, Mandvi, Mumbai,
Maharashtra, 400003 Tel. no.: 022-43590000, Fax. No.: 022-4359001
Email id: info@swarnsarita.com Website: www.swarnsarita.com

**For and on behalf of the Board of Directors
Of Swarnsarita Gems Limited**

Place : Mumbai

Date: 02.09.2020

Sunny M. Chordia

Whole-time Director

DIN:06664041

Mahendra M. Chordia

Managing Director

DIN: 00175686

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To the Members of
SWARNSARITA GEMS LIMITED

Pursuant to provisions of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; I hereby declare that all Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 1st December, 2015.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

For Swarnsarita Gems Limited

Mahendra M. Chordia

Managing Director

DIN: 00175686

Date: 02.09.2020

Place: Mumbai-

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

(Pursuant To Part E of Schedule V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015)

To,

The Members of Swarnsarita Gems Limited

1. We have examined the compliance with the conditions of Corporate Governance by **Swarnsarita Gems Limited** ('the Company') for the year ended March 31, 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), pursuant to the Listing Agreement of the company with the Stock Exchange.

Managements Responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India, the standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of relevant records and according to the information explanations given to us, in our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) in the light of CoVID-19 situation, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2020,.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Emphasis of Matter

9. In accordance with the provisions of Section 135 of the Companies Act, 2013, the company was required to constitute a Corporate Social Responsibility Committee of the Board. However the company had not constituted the Corporate Social Responsibility Committee during the year ended March 31, 2020. Our opinion is not modified in respect of this matter.

For Banshi Jain and Associates
Chartered Accountants
(Firm's Registration No.100990W)

R. B. Golecha
Partner
Membership No. **035348**
UDIN:- 20035348AAAAACR2750

Place: MUMBAI
Date: 02/09/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Swarnsarita Gems Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Swarnsarita Gems Limited having CIN L36911MH1992PLC068283 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN No.	Name of Directors	Date of Appointment
00175686	Mahendra Madanlal Chordia	07/03/2011
02685866	Seema Rajendra Chordia	17/10/2017
06664041	Sunny Mahendra Chordia	17/10/2017
07528387	Dhruvin Bharat Shah	28/05/2016
08018001	Deep Shailesh Lakhani	18/10/2018
07974230	Umang Mitul Mehta	05/02/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

Date: 01/09/2020
Place: Mumbai

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652B000640682

CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** entered with the BSE Ltd (BSE) , I hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) 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 disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

- I. Significant changes in internal control over financial reporting during the year;
- II. Significant changes in accounting policies during the year;
- III. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Swarnsarita Gems Limited

Place: Mumbai
Date: 02.09.2020

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sanket Sushil Dangi
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SWARNSARITA GEMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Swarnsarita Gems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not identified any of such matters that are to be reported separately here during the current period.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone 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 Section 143(3) of the Act, based on our audit 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, Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) In our opinion and to the best of our information and according the explanation given to us, the managerial remuneration for the year ended March 31, 2020 has been paid by the company to its directors 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 there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Banshi Jain and Associates
Chartered Accountants
(Firm's Registration No. 100990W)

Place: MUMBAI
Date: 09/07/2020

R. B. Golecha
Partner
Membership No. **035348**
UDIN: 20035348AAAABN1263

Annexure 'A' to The Independent Auditor's Report

(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the members of Swarnsarita Gems Limited)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The company has a regular program of physical verification of its fixed assets under which the fixed assets are verified in a phased manner, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the company.
- ii. In respect of its inventories:
 - a) As explained to us, the inventory available in the hands of the company has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b) According to the information and explanations given to us, in our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) According to the information and explanations given to us and on the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records inventory and there were no material discrepancies noticed on verification between the physical inventory and the book records.

- iii. According to the information and explanation given to us, the company has granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act. The balance Outstanding as at the end of the year was Rs. 11,30,47,768.40/- . In our opinion and according to the information and explanation given to us:-
- The terms and conditions of the grant of aforesaid loans are not prejudicial to the company's interest.
 - In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, wherever applicable.
 - There are no amounts of loan granted to the company listed in the register maintained under section 189 of the Act, which were overdue for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied by the company.
- v. In our opinion, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause 3(v) of the Order are not applicable.
- vi. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- vii. According to the information and explanation given to us in respect of statutory dues:
- Undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, and cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there are no material dues including provident fund, employees' state insurance, income-tax, service tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the particulars of dues of income tax and sales tax as at 31st March, 2020 which have not been deposited on account of any dispute, are as follows.

Name of the Statute	Nature of Dues	Amounts involved Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax	4,43,51,370/-	2012-13	Commissioner of Income Tax (Appeals)
Income Tax	Income Tax	3,76,656/-	2017-18	Commissioner of Income Tax (Appeals)
WB VAT	VAT	21,90,328/-	2018-19	Senior Joint Commissioner

- viii. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. No fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, provision of clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable, and the requisite details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion, the Company has not entered into any non – cash transactions with directors or persons covered with them under section 192 of the Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Banshi Jain and Associates
Chartered Accountants
(Firm's Registration No. 100990W)

R. B. Golecha
Partner
Membership No. **035348**
UDIN: 20035348AAAABN1263

Place: MUMBAI
Date: 09/07/2020

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”)

In conjunction with our audit of the standalone financial statements of Swarnsarita Gems Limited (the “Company”) as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of the Company as of that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Board of Directors 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 (“the Guidance Note”) 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 Company’s 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified 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 ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 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 ICAI.

For Banshi Jain and Associates
Chartered Accountants
(Firm's Registration No. 100990W)

R. B. Golecha
Partner

Place: MUMBAI
Date: 09/07/2020

Membership No. **035348**
UDIN: 20035348AAAABN1263

SWARNSARITA GEMS LIMITED
BALANCE SHEET AS ON 31ST MARCH 2020

(Rs. In Lakhs)

Particular	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	154.61	153.84
Right to Use Assets	2	143.41	-
Intangible Assets	3	2.02	0.32
Financial Assets			
Investments	4	1,000.00	1,000.00
Other Financial Assets	5	57.55	58.73
Total Non-Current Assets		1,357.59	1,212.90
Current Assets			
Inventories	6	9,260.14	10,249.45
Financial Assets			
Investments	4	10.02	10.45
Trade Receivables	7	6,868.55	6,305.96
Cash and Cash Equivalents	8	229.30	82.57
Bank Balances Other than Cash and Cash Equivalents	9	1,681.01	3,969.22
Loans and Advances	10	1,154.74	1,116.53
Other Financial Assets	5	4.39	-
Other Current Assets	11	254.70	333.16
Total Current Assets		19,462.86	22,067.33
Total Assets		20,820.45	23,280.23
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,083.76	2,083.76
Other Equity		7,787.13	7,255.99
Total Equity		9,870.89	9,339.75
Liabilities			
Non -Current Liabilities			
Long Term Provisions	13	37.11	-
Deferred Tax Liabilities	14	(10.80)	5.09
Financial liabilities			
Other Financial Liabilities	15	141.27	-
Total Non-Current Liabilities		167.58	5.09
Current liabilities			
Financial liabilities			
Borrowings	16	10,116.81	13,091.90
Trade Payables Due to:	17		
Micro and Small Enterprise		0.16	-
Other than Micro and Small Enterprise		181.35	354.79
Other Financial Liabilities	15	246.63	408.93
Other Current Liabilities	18	203.64	32.56
Short Term Provisions	19	18.40	-
Current Tax Liabilities (Net)	20	14.98	47.21
Total Current Liabilities		10,781.98	13,935.39
Total Equity and Liabilities		20,820.45	23,280.23

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

R. B. Golecha
Partner
Membership No. 035348

Place: Mumbai
Date: 09-07-2020

For and On behalf of the Board of Directors of
Swarnasrita Gems Limited

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

Sunny Mahendra Chordia
Director
DIN: 06664041

Deep Shailesh Lakhani
Director
DIN: 08018001

Dhruvin Bharat Shah
Director
DIN: 07528387

Umang Mitul Mehta
Director
DIN: 07974230

Deepak Suthar
Company Secretary

Sanket Dangi
Chief Financial Officer

Swarnsarita Gems Limited

(Rs. In lakhs)

Standalone Statement of Profit and loss	Note	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from operations	21	55,873.52	54,823.73
Other Income	22	712.63	641.82
Total Income		56,586.15	55,465.55
Expenses			
Cost of material consumed	23	53,121.57	53,016.54
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	24	1,031.25	62.75
Employee Benefit Expenses	25	682.26	621.34
Financial Costs	26	553.74	501.87
Depreciation and Amortization Expenses	27	86.12	18.88
Other Expenses	28	342.06	536.85
Total Expenses		55,817.00	54,758.23
Profit before tax		769.15	707.32
Tax Expense			
Current Tax		222.83	220.00
Tax for Earlier Year		31.07	13.36
Deferred Tax		(15.89)	2.42
Profit for the period		531.14	471.54
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive Income		-	-
Total Comprehensive Income for the period		531.14	471.54
Earning per equity share			
Basic		2.54	2.26
Diluted		2.54	2.26

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

R. B. Golecha
Partner
Membership No. 035348

Place: Mumbai
Date: 09-07-2020

**For and On behalf of the Board of Directors of
Swarnsarita Gems Limited**

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

Sunny Mahendra Chordia
Director
DIN: 06664041

Deep Shailesh Lakhani
Director
DIN: 08018001

Dhruvin Bharat Shah
Director
DIN: 07528387

Umang Mitul Mehta
Director
DIN: 07974230

Deepak Suthar
Company Secretary

Sanket Dangi
Chief Financial Officer

Swarnsarita Gems Limited

(Rs. In lakhs)

Statement of Cash Flow for the year ended	2020	2019
Net Cash flow from Operating Activities		
Profit before tax	769.15	707.32
Adjustment for :		
Depreciation & Amortization Expenses	86.12	18.88
Gain/Loss on Investments	0.42	(0.67)
Profit on sale of Fixed Assets	(1.87)	-
Fixed Assets w/off	0.25	-
Interest Expenses (Net)	228.48	288.92
Operating Profit Before Working Capital Changes	1,082.58	1,014.44
Net Change in		
Inventories	989.31	(2,463.88)
Trade Receivables	(562.59)	(1,097.77)
Loans	(38.21)	(44.99)
Other Financial Assets - Current	(4.39)	-
Other Financial Assets - Non Current	1.18	-
Other Current Assets	78.46	153.76
Trade and other payable	(173.27)	100.07
Other financial liabilities	(21.02)	(111.75)
Short term Provision	18.40	-
Long Term Provision	37.11	-
Change in Current Tax Liabilities	(32.23)	-
Other Current Liabilities	171.08	14.57
Cash Generated From Operations	1,546.39	(2,435.55)
Income Tax Paid	(253.90)	(235.78)
Net Cash From Operating Activities	1292.51	-2671.34
Cash Flow From Investing Activities		
Payment for purchase of property, plant and equipment	(237.23)	(25.40)
Purchase of Investments (net)	-	(10)
Proceeds from Sale of Fixed Assets	6.80	5.40
Interest received	325.25	212.97
Net Cash Used In Investment Activities	94.84	182.97
Cash Flow From Financing Activities		
Short Term Borrowings	(2,975.09)	2,543.92
Interest paid	(553.74)	(501.87)
Net Cash Used In Financing Activities	(3,528.83)	2,042.04
Net change in cash and cash equivalents	(2,141.48)	(446.33)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	82.57	2,154.60
Bank Balances Other than Cash and Cash Equivelants of the Year (Opening Balance)	3,969.22	2,343.51
Cash And Cash Equivalents As At The End of the Year	229.30	82.56
Bank Balances Other than Cash and Cash Equivelants of the Year Closing Balance)	1,681.01	3,969.22
Net Increase / (Decrease) As Disclosed Above	(2,141.48)	(446.33)

Note :

The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

All figures in brackets are outflows

The previous year figures have been regrouped and rearranged wherever necessary

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

R. B. Golecha
Partner
Membership No. 035348

Place: Mumbai
Date: 09-07-2020

For and On behalf of the Board

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

Sunny Mahendra Chordia
Director
DIN: 06664041

Deep Shailesh Lakhani
Director
DIN: 08018001

Dhruvin Bharat Shah
Director
DIN: 07528387

Umang Mitul Mehta
Director
DIN: 07974230

Deepak Suthar
Company Secretary

Sanket Dangi
Chief Financial Officer

Swarnsarita Gems Limited
Statement of Change in Equity

(in ` lakhs)

Statement of Change in Equity as on 31st March, 2020

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium reserve	General reserve	Retained earnings	Other items of other comprehensive income	
Balance as of April 1, 2019	2,083.76	67.50	1,368.10	49.46	5,770.93	-	9,339.75
Increase in share capital	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	531.14	-	531.14
Balance as of March 31, 2020	2,083.76	67.50	1,368.10	49.46	6,302.07	-	9,870.89

Statement of Change in Equity as on 31st March, 2019

(in ` lakhs)

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium Reserve	General reserve	Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2018	2,083.76	67.50	1,368.10	49.46	5,299.39	-	8,868.21
Increase in share capital	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	471.54	-	471.54
Balance as of March 31, 2019	2,083.76	67.50	1,368.10	49.46	5,770.93	-	9,339.75

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and On behalf of the Board of Directors of Swarnsarita Gems Limited

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny Mahendra Chordia
Director
DIN: 06664041

Seema R. Chordia
Director
DIN: 02685866

Sanket Dangi
Chief Financial Officer

R. B. Golecha
Partner
Membership No. 035348

Deep Shailesh Lakhani
Director
DIN: 08018001

Dhruvin B. Shah
Director
DIN: 07528387

Umang Mitul Mehta
Director
DIN: 07974230

Deepak Suthar
Company Secretary

Place: Mumbai
Date: 09-07-2020

Swarnsarita Gems Limited

Notes to Financial Statement for the Year Ended 31st March, 2020

1. Property plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2020

(in ` lakhs)

	Cost				Depreciation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Mettler Balances	7.15	-	-	7.15	5.87	0.61	-	6.47	0.68	1.29
Motor Cars	94.05	18.53	37.14	75.44	68.14	6.92	32.21	42.85	32.59	25.91
Office Equipments	20.55	5.55	-	26.11	12.78	4.08	-	16.86	9.24	7.77
Computers	16.38	-	3.78	12.60	14.36	0.65	3.47	11.54	1.06	2.03
Furniture & Fixtures	31.99	0.52	-	32.52	6.65	3.19	-	9.85	22.67	25.34
Plant & Machinery	51.85	1.15	-	53.00	10.80	3.45	-	14.25	38.75	41.05
Office Building	53.52	-	-	53.52	3.06	0.85	-	3.91	49.61	50.46
Total	275.51	25.76	40.92	260.35	121.66	19.75	35.68	105.74	154.61	153.84

Following are the changes in the carrying value of property, plant and equipment for the Year ended 31st March, 2019

(in ` lakhs)

	Cost				Depreciation				Carring Value	
Name of Assets	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Mettler Balances	6.78	0.37	-	7.15	5.03	0.84	-	5.87	1.29	1.75
Motor Cars	89.44	4.61	-	94.05	61.46	6.68	-	68.14	25.91	27.98
Office Equipments	18.72	1.83	-	20.55	8.98	3.80	-	12.78	7.77	9.74
Computers	15.11	1.27	-	16.38	13.93	0.43	-	14.36	2.03	1.18
Furniture & Fixtures	20.70	11.30	-	31.99	3.64	3.01	-	6.65	25.34	17.06
Plant & Machinery	45.84	6.01	-	51.85	7.57	3.23	-	10.80	41.05	38.26
Office Building	53.52	-	-	53.52	2.21	0.85	-	3.06	50.46	51.31
Total	250.11	25.40	-	275.51	102.82	18.84	-	121.66	153.84	147.29

2. Right to Use Assets

Following are the changes in the carrying value of Right to Use Assets for the Year ended 31st March, 2020

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Right to Use Assets	-	209.64	-	209.64	-	66.24	-	66.24	143.41	-
Total	-	209.64	-	209.64	-	66.24	-	66.24	143.41	-

3. Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2020

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Trademark	0.36	-	-	0.36	0.04	0.04	-	0.07	0.29	0.32
Software	-	1.82	-	1.82	-	0.09	-	0.09	1.73	-
Total	0.36	1.82	-	2.18	0.04	0.13	-	0.16	2.02	0.32

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2019

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Trademark	0.36	-	-	0.36	-	0.04	-	0.04	0.32	0.36
Total	0.36	-	-	0.36	-	0.04	-	0.04	0.32	0.36

Swarnsarita Gems Limited

Notes to Standalone Financial Statement for the Year Ended 31st March, 2020

4. Investments

Particulars	As at 31.03.2020	As at 31.03.2019
Non - Current Investments		
<i>Unquoted Investment Carried at Cost</i>		
Investment in Equity Instruments	1,000.00	1,000.00
1,00,00,000 (P.Y. 1,00,00,000) equity shares of Rs. 10 each, fully paid up		
Swarnsarita Realty Pvt Ltd Wholly Owned Subsidiary		
	1,000.00	1,000.00
Current investments		
<i>(Investment Carried at Fair Value through Profit and Loss Account (FVTPL))</i>		
<i>Liquid Mutual Fund Units</i>		
Union Mutual Fund	9.98	10.39
<i>Equity Investments</i>		
SJ Corporation Limited of Rs. 11 each	0.04	0.06
400 equity shares of Rs. 11 each, fully paid up		
<i>Aggregated amount of Impairment</i>	-	-
<i>Aggregated amount of Quoted Investment</i>	10.02	10.45
<i>Market value of Quoted Investment</i>	10.02	10.45
<i>Aggregate carrying amount of Unquoted Investment</i>	1,000.00	1,000.00
	10.02	10.45
Total Carrying Value of Quoted & Unquoted Investment	1,010.02	1,010.45

5. Other Financial Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current		
Security Deposit	52.78	58.73
Unamortised Advance Rental	2.29	-
<i>Deposits with Bank</i>		
Original maturity more than 12 months with Banks	2.49	-
	57.55	58.73
Current		
Advance to Employees	0.85	-
Unamortised Advance Rental	3.54	-
	4.39	-

6. Inventories*

Particulars	As at 31.03.2020	As at 31.03.2019
<i>(Valued at Lower of Cost or Net Realisable Value)</i>		
Raw Materials**	4,647.00	4,605.06
Finished Goods**	4,613.14	5,644.39
	9,260.14	10,249.45

*Working Capital Borrowing are secured by hypothecation of inventories of the Company (refer note 16).

7. Trade receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured , Considered Good*		
Considered Good Credit Impaired	6,868.55	6,305.96
Less: Impairment Allowance (Allowance for Bad & Doubtful Debts)	-	-
	6,868.55	6,305.96

*Working capital borrowing are secured by hypothecation of trade receivables of the Company (refer note 16)

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are generally not interest-bearing.

8. Cash and cash equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with banks		
In current accounts	224.18	77.79

Cash on hand	5.12	4.78
	229.30	82.57

9. Bank Balances Other than Cash and cash equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
<i>Deposits with Bank</i>		
Original maturity more than 3 month but less than 12 months with Banks	1,681.01	3,969.22
	1,681.01	3,969.22

10. Loans & Advances

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
- <i>Loans To</i>		
Related Parties	1,130.48	1,094.87
Other than Related Parties	24.26	21.65
	1,154.74	1,116.53

11. Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Advance to Supplier	34.43	16.92
Balances with Government Authorities	216.77	313.77
Prepaid Expenses	3.50	2.47
	254.70	333.16

12. Equity share capital

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Share:		
2,20,00,000 Equity Shares of Rs. 10/- each (PY 2,20,00,000)	2,200.00	2,200.00
Issued, Subscribed and Paid up:		
2,08,76,800 Equity Shares of Rs. 10/- each Fully Paid-Up (PY 2,08,76,800)	2,087.68	2,087.68
Less : Call Money Due on Equity Shares	(3.92)	(3.92)
Total	2,083.76	2,083.76

Reconciliation of the Number of Equity Shares Outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020	As at 31.03.2019
	No. of Shares	No. of Shares
Outstanding at the Beginning of the Reporting Year	208,76,800	208,76,800
Add: Issued During the year	-	-
Outstanding at the End of the Reporting Year	208,76,800	208,76,800

Terms / Right Attached to Equity Shares

The Company has only one class of equity shares having a face value of INR 10 each. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees, if any. The dividend proposed by the board of directors, if any is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in the number of equity shares held by the shareholders at the time of liquidation

Details of Shareholders holding more than 5% share in the company

Equity Shares Fully Paid at Rs. 10/- each

No.	Name	<u>As at 31st March, 2020</u>		<u>As at 31st March, 2019</u>	
		No. of Share:	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	93,57,187	44.82	93,57,187	44.82

13. Long Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	37.11	-
	37.11	-

14. Deferred Tax Assets (Liabilities)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability		
Property plant and equipment	5.66	5.09
Right to Use (Lease Asset)	35.86	
Deferred Tax Asset		
Lease Liability	(38.34)	
Gratuity Provision	(13.97)	

(10.80)	5.09
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15. Other Financial Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Non-Current		
Lease Liability	141.27	
Current		
Expenses payables	234.57	408.93
Lease Liability	12.07	-
	246.63	408.93

16. Borrowing

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Secured, Loans Repayable on Demand		
<i>From Banks</i>		
Union Bank of India (CC A/c) ¹	980.79	1,559.92
The Bank of Nova Scotia	175.55	1,845.10
Union Bank of India (Gold Loan) ¹	6,695.63	6,762.34
Yes Bank Bullion Account ²	365.80	2,924.54
Yes Bank CC	412.54	-
Yes Bank EPC	101.49	-
Yes Bank WCDL	1,385.00	-
	10,116.81	13,091.90

1	The Cash Credit facility and Gold Loan from the Union Bank of India is collaterally secured by way of the equitable mortgage of property being Shops at Kalyan bearing No. 3, 103, 4, 104, 15, 115, 16 and 116 and office no. 114, 115 at Panchratna, Opera House, Mumbai, Pledge of 62.63040 Lakhs shares of Swarnsarita Gems Limited held by Promoter group (Swarnsarita Jewellers Private Limited), personal guarantee given by the directors of the company and Corporate guarantee of Swarnsarita Realty Private Limited and hypothecation of Stock and book debt upto 90 days.
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2	The Cash Credit facility from YES Bank is secured by exclusive charge by way of equitable/ registered mortgage on 2 residential properties situated i.e. 901, Silver Solitaire, Opp Axis Bank, Tilak Road Ghatkopar East, Mumbai and 1603, Panorama, The Address, opp. R. City Mall, LBS Road Ghatkopar West Mumbai, Charge on all the present and future current assets and movable fixed assets, personal guarantee of directors of the company.
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17. Trade Payable

Particulars	As at 31.03.2020	As at 31.03.2019
<i>Trade Payable due to</i>		
Micro and Small Enterprise	0.16	-
Other than Micro and Small Enterprise	181.35	354.79
	181.51	354.79

	As at 31.03.2020	As at 31.03.2019
<i>[*] Disclosure in respect of Micro, Small and Medium Enterprises:</i>		
A Principal amount remaining unpaid to any supplier as at the year end	0.16	-
B Interest due thereon	-	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D Amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act	-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium.

18. Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Advance received from customer	190.70	17.00
Payable to Statutory Authorities	12.94	15.56
	203.64	32.56

19. Short Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	18.40	-
	18.40	-

20. Current Tax Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax Liabilities	14.98	47.21
	14.98	47.21

Swarnsarita Gems Limited

Notes to Financial Statement for the Year Ended 31st March, 2020

21. Revenue from operation

(Rs. in lakhs)

Particulars	31 March 2020	31 March 2019
Sale of Goods	55,458.63	53,850.42
Labour Charges Received	414.88	973.31
	55,873.52	54,823.73

22. Other Income

Particulars	31 March 2020	31 March 2019
<i>Interest Income</i>		
Interest Income on Bank Deposits	224.04	121.29
Interest Income Lease (Security Deposit)	3.15	-
Other Interest Income	98.07	91.67
<i>Other Non Operating Income</i>		
Exchange difference	384.17	427.36
Gain / Loss on Fair Value of Investments	(0.42)	0.67
Profit on Sale of Fixed Assets	1.87	-
Rent Income	1.39	0.99
Miscellaneous Income	0.37	(0.15)
	712.63	641.82

23. Cost of material consumed

Particulars	31 March 2020	31 March 2019
Purchase of Goods	52,737.98	54,855.19
Labour Charges & Other Charges	425.53	687.99
<u>Add:- Opening Stock</u>		
Raw Material	4,605.06	2,078.42
<u>Less:- Closing Stock</u>		
Raw Material	4,647.00	4,605.06
Raw Material Consumed	53,121.57	53,016.54

24. Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progres

Particulars	31 March 2020	31 March 2019
Opening Balance of Inventory	5,644.39	5,707.14
Less: Closing Balance of Inventory	4,613.14	5,644.39
	1,031.25	62.75

25. Employee benefit expenses

Particulars	31 March 2020	31 March 2019
Salaries and Wages*	600.78	606.53
Contribution to Employee Benefits	7.11	-
Staff Welfare Expenses	18.85	14.81
Gratuity Expense**	55.52	-
	682.26	621.34

* Salaries and wages includes Director Remuneration of Rs. 144 Lakhs. (PY Director Remuneration Rs. 144 Lakhs)

26. Finance Costs

Particulars	31 March 2020	31 March 2019
Interest Expenses on Borrowings	535.84	501.87
Interest Charge (Ind AS Lease)	17.90	-
	553.74	501.87

27. Depreciation and Amortisation Expenses

Particulars	31 March 2020	31 March 2019
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Depreciation on Tangible Assets (Note 1)	19.75	18.84
Depreciation on Right to use assets (Note 2)	66.24	-
Amortisation on Intangible Assets (Note 3)	0.13	0.04
	86.12	18.88

28. Other Expenses

Particulars	31 March 2020	31 March 2019
Fixed Assets Written Off	0.25	-
Auditor Remuneration*	9.55	5.75
Brokerage and Commission	0.50	17.76
Business Promoion Expenses	10.32	21.99
Certification Charges	17.79	23.62
Depository Charges	-	-
Donation	5.06	0.23
Electricity Expenses	15.11	14.49
Exhibition Charges	54.11	70.16
Export Expenses	27.30	24.78
Factory Expense	13.61	10.15
Freight Charges	35.58	69.42
Insurance Expenses	10.32	10.33
Interest on Statutory Dues	4.33	0.39
Listing Fees	4.68	4.14
Office Expenses	13.86	15.59
Other Expenses	2.01	6.87
Printing and Stationery	4.81	5.09
Professional Fees	45.38	56.17
Repair & Maintenance	3.04	4.56
Rental Expense	54.26	151.88
SEBI Penalty	-	17.16
Travelling Expenses	10.21	6.31
	342.06	536.85

Auditors Remuneration*

Particulars	31 March 2020	31 March 2019
Statutory Audit Fees	7.00	5.75
Audit Fees for Limited Review	1.00	-
GST Audit Fees	1.00	-
Stock Audit Fees	0.55	-
Out of pocket expenses	-	-
Total	9.55	5.75

Notes forming part of Financial Statements

A. Company Overview

Swarnsarita Gems Limited ('the Company') is public company and a company limited by shares incorporated under the Companies Act, 1956. It was incorporated on 25th August, 1992. It is a Non-Government company. It is registered at Registrar of Companies, Mumbai, Allotted CIN L36911MH1992PLC068283 and its registration number is 68283. Swarnsarita Gems Ltd is involved in the business of Export & Import and Manufacturing & Trading of Polished Diamonds, Gems & Jewellery. It offers products such as diamond studded rings, bracelets, pendants, diamond necklaces, earrings, etc. in silver & gold. Swarnsarita Gems Ltd. is listed on the Bombay Stock exchange as a result of takeover of a profit making company Shyam Star Gems Ltd.

B. Statement of Compliance

The financial statements of company have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) amendment rules, 2016 and other relevant provisions of the act.

The financial statements were authorized for issue by the company's Board of Directors at their meeting held on 9th July, 2020.

C. Significant Accounting Policies

1. Basis of Preparation & Presentation of Financial Statement

The financial statements are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of Cash Flows has been prepared and presented as per the requirements of IND-AS 7 "Statement of Cash flows". The financial statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and other relevant provisions of the act. These financial statements have been prepared under the historical cost convention except certain Financial Assets and liabilities, which have been measured at fair value. The accounting policy provides information on such Financial Assets and Liabilities measured at fair value. The Company follows the accrual basis of accounting.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

The financial statements are presented in Indian Rupees in Lakh and all values are rounded off to the nearest lakh as permitted by Schedule III of the Companies Act 2013. Earnings per share data are presented in Indian Rupees up to two decimal places.

2. Use of Estimates and Judgments

The preparation of the financial statements in conformity Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosure and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the period presented.

Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets and liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Accounting Judgments and Key Sources of Estimation Certainty

The key assumptions concerning the future and other key sources of estimation, 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 Company has 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 Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note – 21 (ii) below. For the purpose of assessing the leave availment rate, the Company considered the past leave availment history of the employees.

ii. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

iii. Valuation of Deferred Tax Assets / Liabilities

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 18 (ii) below.

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2020, there were no changes in useful lives of property plant and equipment and intangible assets. The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a property, plant or equipment and intangible assets may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognized in profit or loss

v. **Going concern:**

During the current year ended March 31, 2020, management has performed an assessment of the entity's ability to continue as a going concern. Based on the assessment, management believe that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on going concern basis.

vi. **Impairment of Investments**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

vii. **Provision for Inventory**

The Company provides provision based on policy, past experience, current trend and future expectations of the inventory held by them.

3. Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

Fair value hierarchy:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

4. Current and Non-current classification:

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

5. Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

6. Property, plant and equipment

Property, Plant and Equipment (PPE) is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use as estimated by the management. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as “Capital Work-in-Progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the property, plant and equipment is de-recognized.

Depreciation is calculated on a Straight-Line Method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset and adjusted if appropriate.

Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Depreciation charged for impaired Assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Mettler Balance	Straight line	5 years
Motor Cars	Straight line	8 Years
Office Equipment	Straight line	5 years
Computers	Straight line	3 years
Furniture & Fixtures	Straight line	10 years
Plant & Machinery	Straight line	15 years
Office Building	Straight line	60 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

7. Intangible assets

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

Amortization on impaired Assets is provided by adjusting the amortization charges in the remaining period so as to allocate the Asset's revised carrying amount over its remaining useful life.

Amortization is provided using the Straight-Line Method as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No.	Nature of Assets	Estimated useful life (In years)
1.	Trademark	10 years
2.	Software	10 years

8. Recent Accounting Pronouncements

In March 2019, the MCA issued Ind-AS 116, Leases. Ind-AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use Assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the Balance Sheet in a manner largely comparable to current finance lease accounting. Ind-AS 116 is effective for annual periods beginning on or after April 1, 2019. The company will adopt the standard for the fiscal year beginning as of April 1, 2019, by applying the modified retrospective approach, i.e. comparative figures for the preceding year will not be adjusted. By applying Ind-AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use Assets and interest expense on lease liabilities. This result in a deterioration in cash flows from financing activities and an improvement in cash flows from operating activities. The Company is currently assessing further impacts of adopting Ind-AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind-AS 116.

9. Leases as per IND-AS 116

The company determines whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company recognizes Right to Use and lease liability at the commencement of the lease period.

Subsequently the right to use is shown as at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. The company applies depreciation requirements of IND-AS 16, Property, Plant and Equipment, in depreciating the right-of-use asset and the lease term mentioned in the contract is taken as useful life for calculating the depreciation.

The company measures the lease liability at the present value of the lease payments. The lease payments are discounted using incremental borrowing rate applicable to the company for a similar term. Subsequently the lease liability is increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

In the current year, the company has recognized Interest on Lease Liability and Amortization of Right to Use Asset as per Ind AS 116 "Lease" in the profit and loss statement as under.

- i. Interest on lease liability of Rs. 17.90 Lakhs
- ii. Amortization of Right to use Asset of Rs. 66.24 Lakhs
- iii. Total Outstanding Cash Outflow for Lease as per the agreement is Rs. 153.34 Lakhs
- iv. The Carrying amount of Right to use Asset as on 31st March, 2020 is Rs. 143.41 Lakhs

The Company has taken premises under leave and license agreement, the rent and escalation of which depends upon the lease by the Company. The Company has given refundable interest free security deposits under certain agreements.

The disclosure requirement and maturity analysis of lease liability and asset as per IND-AS 116 are as follows:

- i. The net carrying amount of Right to use Asset (Cost less Depreciation):

(Rs. In Lakhs)

Particulars	Opening as on 31 st March, 2019	Addition	Deletion	Depreciation during the Year	Closing as on 31 st March, 2020
Leasehold Premises	Nil	209.64	0	66.23	143.41
Total	0	209.64	0	66.23	143.41

- ii. The Total Minimum Lease Payment as on 31st March, 2020 is Rs. 153.34 Lakhs, the maturity analysis of which as below:

Maturity Analysis of the Minimum lease payment for the following years as follow:

Particulars	As on 31 st March, 2020	As on 31 st March, 2019
Within 1 year	12.07	0
Above 1 year	141.27	0

10. Investment in subsidiaries

The Company has elected to account for its equity investments in subsidiaries under Ind AS 27 on separate financial statements, at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed.

Investments in subsidiaries are measured at cost less impairment. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

11. Impairment of Non-Financial assets

Tangible and Intangible Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

Other Assets

As at each Balance Sheet date, the carrying amount of Assets is tested for impairment so as to determine:

- i. The provision for impairment loss, if any; and
- ii. The reversal of impairment loss recognised in previous periods, if any,
Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i. In the case of an individual asset, at the higher of the net selling price and the value in use;
- ii. In the case of a cash generating unit (a group of Assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

12. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

a) Financial Assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (g) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Financial Assets at amortized cost
- (ii) Financial Assets at fair value through other comprehensive income (FVTOCI)
- (iii) Financial Assets at fair value through profit or loss (FVTPL)

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset shall be classified and measured at fair value through other comprehensive income if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and,
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI at initial recognition, is classified as at FVTPL. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of Financial Assets

A financial asset is de-recognised when and only when:

- i. The contractual rights to the cash flows from the financial asset expire;
- ii. It transfers the financial Assets and the transfer qualifies for de-recognition.

b) Financial liabilities

Financial Liabilities are subsequently carried at amortized cost using the effective interest method for trade and other payables, maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

13. Inventories

Inventories comprise of raw materials and finished goods are carried at the lower of cost or net realizable value. Cost of Finished Goods (Gold and Diamond Jewellery) and Raw Material (Gold and Other Precious Metal) are determined on weighted average basis by taking average of borrowed gold and self-purchased gold separately for.

Other Finished Goods are valued at cost or net realizable value whichever is lower. Raw material of Loose diamonds are valued specifically at weighted average cost method.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognized based on the year end closing gold rate.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

14. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

15. Bank balances other than cash and cash equivalents

The company considers all financial instruments, which are convertible into known amounts of cash that are subject to an insignificant risk of change in value and have original maturities of more than three but not more than twelve months from date of purchase, to be bank balances other than cash and cash equivalents. These balances consist of deposits with banks which are restricted for withdrawal or usage before the original maturity barring a few exceptions where they can be withdrawn or used subject to modified contractual terms such as decreased rates of interest or payment of applicable fines/penalties.

16. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares options are recognized as a deduction from equity, net of any tax effects.

17. Gold Loan:

- i. Transactions of purchase of gold under Gold Loan Scheme of the banks where the final rate of gold is settled on the subsequent date to the date of transactions are normally recorded at the prevailing rate of gold and exchange rate on the date of transaction as per proforma invoice provided by the suppliers of the gold.
- ii. Difference arise in the value of purchases as compared to the value as per proforma invoice on the date of settlement of transaction is transferred to the purchase cost as plus or minus as the case may be.
- iii. Monetary item of gold loan denominated in foreign currency at the yearend are translated at the yearend rate of exchange of the foreign currency and the year-end rate of gold on the London Metal Exchange as certified by the seller bank of the gold and difference so arrived is taken to the cost of purchase of goods.

18. Income taxes

Income tax expense comprises current tax and deferred tax. It is recognized in the Statement of profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current income taxes

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. 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 India. Advance taxes and provisions for current income taxes are presented in the Balance sheet without off-setting advance tax paid and income tax provision arising in the same tax jurisdiction.

ii. Deferred Income Taxes

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction

Deferred income tax asset are recognized 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 utilized. The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. 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.

Transaction or event which is recognised outside the statement of Income and Expenditure, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement).

19. Revenue recognition as per IND AS 115

The Company earns revenue primarily from manufacturing and trading of gold Jewellery. In appropriate circumstances, revenue is recognized when no significant uncertainty as to determination or realization exists. Revenue is reported net of discounts, indirect taxes.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Company earns its prime revenue from Export of jewellery, cutting & polishing of diamonds, Job work charges. The revenue from such transactions is reported in the period in which it occurred.

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

ii. Revenue from other Income

Other income of Company includes income from Interest on Fixed Deposits and Unsecured Loan, Rental Income, and Interest on Late Payments. These amounts are reported in the period in which they accrue.

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and at an effective interest rate, as applicable.

20. Cost recognition

Costs and Expenses are recognized on an accrual basis as and when they become payable, and have been clarified according to their nature. The costs of the Company are broadly categorized in cost of material consumed, employee benefit expenses, finance costs, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds, staff welfare expenses and Gratuity Expense. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, exhibition charges, freight charges, export expenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

21. Employee Benefits**i. Short term Employee Benefits**

All employee benefits payable wholly within a period of twelve months of receiving employee services are classified as short-term employee benefits. Benefits such as salaries, allowances, advances and similar payments paid to the employees of the Company are recognized during the period in which the employee renders such related services.

The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

ii. Post-employment Benefits*Defined contribution plans*

The employee benefits payable after twelve months or more of rendering the service are classified as long term employee benefits. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and employee state insurance, which are defined contribution plans, at the prescribed rates. The Company's contribution is recognized as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

*Defined Benefit Plans***Gratuity**

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial

valuation carried out by an independent actuary, made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. These benefits are settled at the time of cessation of service by the employee due to retirement etc.

The company has recognized a liability for payment of post employment benefits to employees amounting to Rs. 55.52 Lakhs. The summarized position of gratuity benefits is recognized in the Profit and Loss Account and Balance Sheet are as under:

Net Asset/(Liability) recognized in Balance Sheet	31 March 2020	31 March 2019
Present Value of Obligation	55.52	-
Fair Value of Plan Assets	-	-
Funded Status - (Surplus) /Deficit	-	-
Net Asset /(Liability) recognised in the Balance Sheet	55.52	-
Amount recognised in the Statement of Income and Expenditure Account	31 March 2020	31 March 2019
Current Service Cost	55.52	-
Interest Cost	-	-
Expected Return on Plan Asset	-	-
Total Expense / (Income) charged to Income and Expenditure Account	55.52	-
Reconciliation of amounts in Balance Sheet	31 March 2020	31 March 2019
Opening Net Defined Benefit Liability /(Asset)	-	-
Total Expense (Income) recognised in Income and Expenditure	55.52	-
Actual Employer Contribution Paid		-
Total Re-measurements recognised in Other Comprehensive Income/(Loss)	-	-
Liability / (Asset) recognised in the Balance sheet	55.52	-
Change in Present Value of Obligation during the Period	31 March 2020	31 March 2019
Present Value of Obligation at the beginning of the Year	-	-
Current Service Cost	55.52	-
Interest Cost	-	-
Actuarial (Gain)/Loss on Obligation	-	-
Benefits Paid	-	-
Present Value of Obligation at the end of the Year	55.52	-
Change in Fair Value of Plan Assets during the Period	31 March 2020	31 March 2019
Fair Value of Plan Assets at the Beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions Made	-	-
Benefits Paid	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
Amount recognised in other comprehensive income	31 March 2020	31 March 2019
Opening amount recognised in OCI	-	-

Re-measurements due to :		
Effect of Change in Financial Assumption	-	-
Effect of Change in Demographic Assumption	-	-
Effect of Experience Adjustments	-	-
Actuarial (Gain)/Loses	-	-
Return on Plan Assets (excluding Interest)	-	-
Total Re-measurements recognised in OCI	-	-
Amount recognised in OCI at the end of the period	-	-

Actuarial assumptions	31 March 2020	31 March 2019
Discount Rate	5.45% p.a.	-
Expected Rate of Return on Assets	-	-
Withdrawal Rates	40% p.a. across all ages	-
Future Salary Increases considering Inflation, Seniority, Promotion	0% for next 1 year and 5% p.a. thereafter	-

22. Foreign Currency

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The functional currency of the Company is Indian rupee. The resultant exchange differences (gains and losses) arising on settlement and restatement are recognized in the Statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

23. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares. However the company did not have any potentially dilutive securities in any of the year's presented.

24. Statement of Cash flow

Statement of Cash flow is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net surplus is adjusted for the effects of changes during the period in inventories, operating receivables and payables transactions of a non-cash nature

- Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- All other items for which the cash effects are investing or financing cash flows.

25. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basic of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows

(in ` lakhs)

Financial Assets	Fair value through Profit or loss	Amortized Cost	Total carrying value
Non-Current			
Investments in subsidiary	0	1,000	1,000
Other Financial Assets	0	57.55	57.55
Current			
Investments (other than in subsidiary)	10.02	0	10.02
Trade Receivables	0	6,868.55	6,868.55
Cash and cash equivalents	0	229.30	229.30
Bank Balances Other than Cash and Cash Equivalents	0	1,681.01	1,681.01
Loans and Advances	0	1,154.74	1,154.74
Other Financial Assets	0	4.39	4.39
Total	10.02	10,995.54	11,005.56

(in ` lakhs)

Financial Liabilities	Fair value through Profit or loss	Amortized Cost	Total carrying value
Trade payable	0	181.51	181.51
Borrowings	0	10,116.81	10,116.81
Other financial liabilities	0	387.90	387.90
Total	0	10,686.22	10,686.22

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(in ` lakhs)

Financial Assets	Fair value through Profit or loss	Amortized Cost	Total carrying value
Non-Current			
Investments in subsidiary	0	1,000	1,000
Other Financial Assets	0	58.73	58.73
Current			
Investments (other than in subsidiary)	10.45	0	10.45
Trade Receivables	0	6,305.96	6,305.96
Cash and cash equivalents	0	82.57	82.57
Bank Balances Other than Cash and Cash Equivalents	0	3,969.22	3,962.22
Loans and Advances	0	1,116.53	1,116.53
Other Financial Assets	0	0	0
Total	10.45	12,533.01	12,543.46

(in ` lakhs)

Financial Liabilities	Fair value through Profit or loss	Amortized Cost	Total carrying value
Trade payable	0	354.79	354.79
Borrowings	0	13,091.90	13,091.90
Other financial liabilities	0	408.93	408.93
Total	0	13855.62	13855.62

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial asset that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(in ` lakhs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	9.98	-	-	9.98
Equity shares	0.04	-	-	0.04
Total	10.02	-	-	10.02

(in ` lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	10.39	-	-	10.39
Equity shares	0.06	-	-	0.06
Total	10.45	-	-	10.45

(b) Financial Risk Management

The Company is exposed primarily to credit, liquidity, and fluctuations in foreign currency exchange rates and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

1. Foreign currency exchange rate risk

The company is not significantly exposed to the fluctuation in foreign currency exchange rate. The company export goods outside India for which bills are issued in US \$ and payment of the same will be received on letter date. The company carries the risk of fluctuation in foreign currency exchange rate on export transaction.

2. Interest rate risk

The company's investments are primarily in fixed rate bearing investments/fixed deposits hence the company is not significantly exposed to interest rate risk.

(ii) Credit Risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by

analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 11,005.56 lakhs and 12,543.46 lakhs as at March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, and other financial assets.

The Company's exposure to customers is diversified and one customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2020 and no such customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2019.

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2020

Name of Customer	Outstanding Amount (in Lakhs)	% to total receivables
Mahashila Jewellery	741.50	10.80%

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2019

Name of Customer	Outstanding Amount (in Lakhs)	% to total receivables
No such customer	-	-

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

26. Earnings per equity share

Particulars	2020	2019
Profit for the year (in ` lakhs)	531.14	471.54
Weighted average number of equity shares (in ` lakhs)	208.77	208.77
Earnings per share basic and diluted (in ₹)	2.54	2.26
Face value per equity shares (in ₹)	10	10

27. Micro and Small Enterprises

The amounts due to micro, small and medium enterprises have been determined on the basis of information

collected by the management and are disclosed in Note No. 17 "Trade Payable" of Balance Sheet.

- 28.** Disclosure under regulation 34 (3) of the SEBI (Listing and disclosure requirements) Regulations, 2015 Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2020 and 31st March, 2019 is as follows.

(in lakhs)

Particulars	2020		2019	
	Outstanding as at March 31, 2020	Maximum amount outstanding during the year	Outstanding as at March 31, 2019	Maximum amount outstanding during the year
Swarnsarita Realty Private Limited	1,130.48	1,130.48	1,094.87	1,094.87

29. Related Party Transaction

Name of KMP/Related Party

Name of Related Party/KMP	Designation/Particulars	Date of Appointment	Date of Retirement/Cessation
Mahendra Charodia	Managing Director	07/03/2011	-
Seema Charodia	Executive Director	17/10/2017	-
Sunny Charodia	Executive Director	17/10/2017	-
Sanket Dangi	Chief Financial Officer	05/07/2015	-
Swarnsarita Realty Private Limited	Wholly Owned Subsidiary	-	-
Swarnsarita Jewellers Private Limited	Majority Shareholder	-	-
M/s Swarnsarita Jewellers	Firm in which directors are interested	-	-

Transactions with related parties are as follows:

Year ended March 31, 2020

(in lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Interest income	98.07	0	0
Rent Expenses	0	12	27
Loan/Advance Given	29.96	0	0
Loan/Advance repayment received	80.12	0	0
Remuneration (Short term Benefit)	0	159	100.80
Post-Employment Benefits	0	0	0
Other Long-Term Benefits	0	0	0

Year ended March 31, 2019

(in lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Interest income	91.67	0	0
Rent Expenses	0	42	30

Loan/ Advance Given	95.56	0	0
Loan/Advance repayment received	55.50	0	0
Remuneration (Short term benefit)	0	157.75	100.80
Post-Employment Benefits	0	0	0
Other Long-Term Benefits	0	0	0

*The above Post-employment benefit excludes gratuity provision which cannot be separately identified from the composite amount advised by actuary.

Balance Receivables from Related parties are as follows:

As at March 31, 2020

(in lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Investments	1,000	0	0
Loans/Advances	1,130.48	0	0

As at March 31, 2019

(in lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Investments	1,000	0	0
Loans/Advances	1,094.87	0	0

Balance Payable to Related parties are as follows:

As at March 31, 2020

(in Rs. Lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Rent Payable	0	0	5.40
Salary Payable	0	1.23	2.56
Director Remuneration Payable	0	14.63	0

As at March 31, 2019

(in Rs. Lakhs)

Particulars	Subsidiaries of the company	Key management Personnel	Other Related Parties
Rent Payable	0	4.32	3.55
Salary Payable	0	1.25	3.54
Director Remuneration Payable	0	9.06	0

30. Contingent Liability

(in lakhs)

Contingent Liabilities and Commitments (to the extent not provided for)	As on 31 st March, 2020	As on 31 st March, 2019
Commitments	0	0
Contingent liability on account of Income Tax Demand	447.28	0

Contingent liability on account of Service Tax Demand	21.90	0
Contingent Liability other Matters	0	0
Total	469.18	0

31. Notes on Changes on Account of transition to IND-AS 116

The Company has adopted the standard beginning 1st April, 2019, using a prospective approach for transition. Accordingly, the Company has restated the comparative information. This has resulted in recognizing a "Right of use asset" of ₹ 143.41 lakhs and a corresponding "Lease liability" of ₹ 141.27 lakhs as at 31st March, 2020.

Consequently, in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortization expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result, the "Rent"/"Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

32. Dividends

The Company has not declared any dividend during the year

33. COVID-19 Impact

COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The Indian Government on March 24, 2020, announced a 21-day complete lockdown across the country, to contain the spread of the virus. The lockdown has since been extended with gradual relaxations. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

However, the company believes that the pandemic is not likely to impact the carrying value of its assets. The company continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial results

34. Contribution on CSR Activities

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2020 Rs. 11.79 Lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company however has not incurred any amount during the year ended March 31, 2020, towards CSR expenditure.

35. Previous year's figures have been regrouped, reclassified & rearranged to correspond with the current year figures / presentation wherever necessary.

As per our report of even date
For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

For and On behalf of the Board of Directors of Swarnsarita Gems Limited

Mahendra M. Chordia Managing Director DIN: 00175686	Sunny M. Chordia Director DIN: 06664041	Dhruvin B. Shah Director DIN: 07528387	Sanket Dangi Chief Financial Officer
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R. B. Golecha
Partner
Membership No. 035348

Seema R. Chordia Executive Director DIN: 02685866	Umang Mehta Director DIN: 07974230	Deep S. Lakhani Director DIN: 08018001	Deepak Suthar Company Secretary
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Place: Mumbai
 Date: 9th July, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SWARNSARITA GEMS LTD

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SWARNSARITA GEMS LTD ("the holding Company") and its subsidiary SWARNSARITA REALTY PVT. LTD. (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for preparation of consolidated financial statements. Further, in terms of provisions of the Act the respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company covered under the act, 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated 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 consolidated 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 Section 143(3) of the Act, based on our audit we report to the extent applicable 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Financial Statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 holding company and its subsidiaries covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid by the company to its directors 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 there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Banshi Jain and Associates
Chartered Accountants
(Firm Registration Number – 100990W)

Place: MUMBAI
Date: 09/07/2020

R. B. Golecha
Partner
Membership No. **035348**
UDIN: 20035348AAAABO9007

Annexure - A 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")

In conjunction with our audit of the consolidated financial statements of Swarnsarita Gems Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **SWARNSARITA GEMS LTD** (hereinafter referred to as "Holding Company") and its subsidiary company, covered under the act, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding Company and its subsidiary company, covered under the act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("the 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, covered under the act, based on our audit. We conducted our audit in accordance with the Guidance Note by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company, covered under the act.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, covered under the act, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies 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 Banshi Jain and Associates
Chartered Accountants
(Firm Registration Number – 100990W)

Place: MUMBAI
Date: 09/07/2020

R. B. Golecha
Partner
Membership No. **035348**
UDIN: 20035348AAAABO9007

SWARNSARITA GEMS LIMITED
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2020

(Rs. In Lakhs)

Particular	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	160.81	161.71
Right to Use Assets	2	143.41	-
Intangible Assets	3	2.02	0.32
Financial Assets			
Investments	4	-	-
Other Financial Assets	5	57.55	58.73
Other Non-Current Assets	6	1,117.99	1,092.02
Total Non-Current Assets		1,481.78	1,312.79
Current Assets			
Inventories	7	10,267.80	11,257.11
Financial Assets			
Investments	4	10.02	10.45
Trade Receivables	8	6,868.86	6,380.11
Cash and Cash Equivalents	9	240.40	90.50
Bank Balances Other than Cash and Cash Equivalents	10	1,681.01	3,969.22
Loans and Advances	11	24.26	21.65
Other Financial Assets	5	4.39	-
Other Current Assets	12	254.70	333.16
Total Current Assets		19,351.45	22,062.19
Total Assets		20,833.24	23,374.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,083.76	2,083.76
Other Equity		7,730.51	7,277.86
Total Equity		9,814.27	9,361.62
Liabilities			
Non -Current Liabilities			
Long Term Provisions	14	37.11	-
Deferred Tax Liabilities	15	(10.82)	5.24
Financial liabilities			
Other Financial Liabilities	16	160.95	10.30
Total Non-Current Liabilities		187.25	15.54
Current liabilities			
Financial liabilities			
Borrowings	17	10,116.81	13,093.90
Trade Payables Due to:	18		
Micro and Small Enterprise		0.16	-
Other than Micro and Small Enterprise		222.29	395.73
Other Financial Liabilities	16	248.78	409.18
Other Current Liabilities	19	214.71	51.83
Short Term Provisions	20	18.40	-
Current Tax Liabilities (Net)	21	10.57	47.18
Total Current Liabilities		10,831.72	13,997.82
Total Equity and Liabilities		20,833.24	23,374.98

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

R. B. Golecha
Partner
Membership No. 035348

Place: Mumbai
Date: 09-07-2020

For and On behalf of the Board of Directors of
Swarnsarita Gems Limited

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

Umang Mitul Mehta
Director
DIN: 07974230

Sunny Mahendra Chordia
Director
DIN: 06664041

Dhruvin Bharat Shah
Director
DIN: 07528387

Deep Shailesh Lakhani
Director
DIN: 08018001

Sanket Dangi
Chief Financial Officer

Deepak Suthar
Company Secretary

Swarnsarita Gems Limited

Consolidated Statement of Profit and loss

(Rs. In lakhs)

Particulars	Note	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from operation	22	55,913.86	54,884.23
Other Income	23	683.77	609.40
Total Income		56,597.63	55,493.63
Expenses			
Cost of material consumed	24	53,121.57	53,016.54
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	25	1,031.25	62.75
Employee Benefit Expenses	26	682.43	625.52
Financial Costs	27	537.09	501.87
Depreciation and Amortization Expenses	28	87.79	20.55
Other Expenses	29	447.43	545.93
Total Expenses		55,907.56	54,773.16
Profit before tax		690.07	720.47
Tax Expense			
Current Tax		222.83	224.85
Tax for Earlier Year		30.66	13.24
Deferred Tax		(16.06)	3.11
Profit for the period		452.64	479.27
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive Income		-	-
Total Comprehensive Income for the period		452.64	479.27
Earning per equity share			
Basic		2.17	2.30
Diluted		2.17	2.30

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

R. B. Golecha
Partner
Membership No. 035348

Place: Mumbai
Date: 09-07-2020

For and On behalf of the Board of Directors of
Swarnsarita Gems Limited

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

Umang Mitul Mehta
Director
DIN: 07974230

Sunny Mahendra Chordia
Director
DIN: 06664041

Dhruvin Bharat Shah
Director
DIN: 07528387

Deep Shailesh Lakhani
Director
DIN: 08018001

Sanket Dangi
Chief Financial Officer

Deepak Suthar
Company Secretary

Swarnsarita Gems Limited

Consolidated Statement of Cash Flow for the year ended

(in ` lakhs)

Particulars	2020	2019
Net Cash Flow From Operating Activities		
Profit before tax	690.07	720.47
Adjustment for :		
Depreciation and amortization of expenses	87.79	20.55
Gain/Loss on Investments	0.42	(0.67)
Profit on Sale of Fixed Assets	(1.87)	
Fixed Assets w/off	0.24	
Interest Expenses (Net)	239.30	320.34
Operating Profit Before Working Capital Changes	1,015.99	1,060.69
Inventories	989.31	(2,463.88)
Trade Receivables	(488.75)	(1,114.10)
Loans	(2.61)	(1.93)
Other Financial Assets - Current	(4.39)	115.92
Other Financial Assets - Non Current	1.180	100.06
Other Current Assets	78.46	(112.07)
Trade and other payable	(173.27)	-
Other financial liabilities	(9.74)	-
Short term Provision	18.40	-
Long Term Provision	37.11	-
Change in Current Tax Liabilities	(36.61)	-
Other Current Liabilities	162.88	19.17
Other Non Current Assets	(25.97)	-
Cash Generated From Operations	1,561.99	(2,396.15)
Income Tax Paid	(253.49)	(241.20)
Net Cash From Operating Activities	1,309	(2,637)
Cash Flow From Investing Activities		
Payment for purchase of property, plant and equipment	(237.23)	(25.40)
Purchase of Investments (net)	-	(10.00)
Proceeds from disposal/redemption of investments	6.80	5.40
Interest received	297.79	181.53
Net Cash Used In Investment Activities	67.36	151.54
Cash Flow From Financing Activities		
Short Term Borrowings	(2,977.09)	2,545.92
Interest paid	(537.09)	(501.87)
Net Cash Used In Financing Activities	(3,514.15)	2,044.04
Net change in cash and cash equivalents	(2,138.30)	(441.77)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	90.50	2,157.97
Bank Balances Other than Cash and Cash Equivalents of the Year (Opening Balance)	3,969.22	2,343.51
Cash And Cash Equivalents As At The End of the Year	240.40	90.49
Bank Balances Other than Cash and Cash Equivalents of the Year (Closing Balance)	1,681.01	3,969.22
Net Increase / (Decrease) As Disclosed Above	(2,138.30)	(441.77)

Note :

The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

All figures in brackets are outflows

The previous year figures have been regrouped and rearranged wherever necessary

As per our report of even date

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

For and On behalf of the Board

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Director
DIN: 02685866

R. B. Golecha
Partner
Membership No. 035348

Umang Mitul Mehta
Director
DIN: 07974230

Sunny Mahendra Chordia
Director
DIN: 06664041

Place: Mumbai
Date: 09-07-2020

Dhruvin Bharat Shah
Director
DIN: 07528387

Deep Shailesh Lakhani
Director
DIN: 08018001

Sanket Dangi
Chief Financial Officer

Deepak Suthar
Company Secretary

Swarnsarita Gems Limited
Statement of Change in Equity

(in ` lakhs)

Statement of Change in Equity as on 31st March, 2020

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium reserve	General reserve	Retained earnings	Other items of other comprehensive income	
Balance as of April 1, 2019	2,083.76	67.50	1,368.10	49.46	5,792.80	-	9,361.62
Increase in share capital	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	452.64	-	452.64
Balance as of March 31, 2020	2,083.76	67.50	1,368.10	49.46	6,245.45	-	9,814.27

Statement of Change in Equity as on 31st March, 2019

(in ` lakhs)

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium Reserve	General reserve	Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2018	2,083.76	67.50	1,368.10	49.46	5,313.53	-	8,882.35
Increase in share capital	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	479.27	-	479.27
Balance as of March 31, 2019	2,083.76	67.50	1,368.10	49.46	5,792.80	-	9,361.62

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and On behalf of the Board of Directors of Swarnasraita Gems Limited

For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

Mahendra M. Chordia Managing Director DIN: 00175686	Sunny Mahendra Chordia Director DIN: 06664041	Seema R. Chordia Director DIN: 02685866	Sanket Dangi Chief Financial Officer
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R. B. Golecha
Partner
Membership No. 035348

Deep Shailesh Lakhani Director DIN: 08018001	Dhruvin B. Shah Director DIN: 07528387	Umang Mitul Mehta Director DIN: 07974230	Deepak Suthar Company Secretary
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Place: Mumbai
Date: 09-07-2020

Swarnsarita Gems Limited

Notes to Financial Statement for the Year Ended 31st March, 2020

1. Property plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2020

(in ` lakhs)

	Cost				Depreciation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Mettler Balances	7.16	-	-	7.16	5.87	0.61	-	6.47	0.68	1.29
Motor Cars	108.17	18.53	37.14	89.56	74.40	8.59	32.21	50.78	38.78	33.78
Office Equipments	20.51	5.55	-	26.07	12.79	4.08	-	16.87	9.20	7.77
Computers	16.39	-	3.78	12.61	14.36	0.65	3.53	11.48	1.12	2.03
Furniture & Fixtures	31.99	0.52	-	32.52	6.66	3.19	-	9.85	22.67	25.34
Plant & Machinery	51.85	1.15	-	53.00	10.80	3.45	-	14.25	38.75	41.05
Office Building	53.52	-	-	53.52	3.06	0.85	-	3.91	49.61	50.46
Total	289.59	25.76	40.92	274.43	127.94	21.43		113.62	160.81	161.71

Following are the changes in the carrying value of property, plant and equipment for the Year ended 31st March, 2019

(in ` lakhs)

	Cost				Depreciation				Carring Value	
Name of Assets	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Mettler Balances	6.78	0.37	-	7.15	5.03	0.84	-	5.87	1.29	1.75
Motor Cars	103.57	4.61	-	108.18	66.05	8.35	-	74.40	33.78	37.52
Office Equipments	18.72	1.83	-	20.55	8.98	3.80	-	12.78	7.77	9.74
Computers	15.11	1.27	-	16.38	13.93	0.43	-	14.36	2.03	1.18
Furniture & Fixtures	20.70	11.30	-	31.99	3.64	3.01	-	6.65	25.34	17.06
Plant & Machinery	45.84	6.01	-	51.85	7.57	3.23	-	10.80	41.05	38.26
Office Building	53.52	-	-	53.52	2.21	0.85	-	3.06	50.46	51.31
Total	264.24	25.40	-	289.64	107.41	20.51	-	127.92	161.71	156.83

2. Right to Use Assets

Following are the changes in the carrying value of Right to Use Assets for the Year ended 31st March, 2020

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Right to Use Assets	-	209.64	-	209.64	-	66.24	-	66.24	143.41	-
Total	-	209.64	-	209.64	-	66.24	-	66.24	143.41	-

3. Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2020

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2019	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2020	As On 01.04.2019	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2020	As On 31.03.2020	As On 01.04.2019
Trademark	0.36	-	-	0.36	0.04	0.04	-	0.07	0.29	0.32
Software	-	1.82	-	1.82	-	0.09	-	0.09	1.73	-
Total	0.36	1.82	-	2.18	0.04	0.13	-	0.16	2.02	0.32

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2019

(in ` lakhs)

	Cost				Depericiation				Carring Value	
Name of Assets	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Depreciation Reversal	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Trademark	0.36	-	-	0.36	-	0.04	-	0.04	0.32	0.36
Total	0.36	-	-	0.36	-	0.04		0.04	0.32	0.36

Swarnsarita Gems Limited

Notes to Standalone Financial Statement for the Year Ended 31st March, 2020

4. Investments

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current investments		
	-	-
	-	-
Current investments		
<i>(Investment Carried at Fair Value through Profit and Loss Account (FVTPL))</i>		
<i>Liquid Mutual Fund Units</i>		
Union Mutual Fund	9.98	10.39
<i>Equity Investments</i>		
SJ Corporation Limited of Rs. 1 each	0.04	0.06
400 equity shares of Rs. 1 each, fully paid up		
<i>Aggregated amount of Impairment</i>	-	-
<i>Aggregated amount of Quoted Investment</i>	10.02	10.45
<i>Market value of Quoted Investment</i>	10.02	10.45
	10.02	10.45
Total carrying Value of Investment	10.02	10.45

5. Other Financial Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current		
Security Deposit	52.78	58.73
Unamortised Advance Rental	2.29	-
<i>Deposits with Bank</i>		
Original maturity more than 12 months with Banks	2.49	-
	57.55	58.73
Current		
Advance to Employees	0.85	-
Unamortised Advance Rental	3.54	-
	4.39	-

6. Other Non Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Non - Current		
Advances for Immovable Property	1,117.99	1,092.02
	1,117.99	1,092.02

7. Inventories*

Particulars	As at 31.03.2020	As at 31.03.2019
<i>(Valued at Lower of Cost or Net Realisable Value)</i>		
Raw Materials**	4,647.00	4,605.06
Finished Goods**	5,620.80	6,652.05
	10,267.80	11,257.11

*Working Capital Borrowing obtained by the Parent Company are secured by hypothecation of inventories of the Parent Company (refer note 17).

8. Trade receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured , Considered Good*		
Considered Good Credit Impaired	6,943.01	6,380.11
Less: Impairment Allowance (Allowance for Bad & Doubtful Debts)	(74.15)	-
	6,868.86	6,380.11

*Working Capital Borrowing obtained by the Parent Company are secured by hypothecation of trade receivables of the Parent Company (refer note 17).

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are generally not interest-bearing.

9. Cash and cash equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with banks		
In current accounts	235.29	85.72
Cash on hand	5.12	4.78

240.41	90.50
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10. Bank Balances Other than Cash and cash equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
<i>Deposits with Bank</i>		
Original maturity more than 3 month but less than 12 months with Banks	1,681.01	3,969.22
	1,681.01	3,969.22

11. Loans & Advances

Particulars	As at 31.03.2020	As at 31.03.2019
Non - Current		
Unsecured, considered good		
- Loans To		
Related Parties	-	-
Other than Related Parties	24.26	21.65
	24.26	21.65

12. Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Advance to Supplier	34.43	16.92
Balances with Government Authorities	216.77	313.77
Prepaid Expenses	3.50	2.47
	254.70	333.16

13. Equity share capital

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Share:		
2,20,00,000 Equity Shares of Rs. 10/- each	2,200.00	2,200.00
Issued, Subscribed and Paid up:		
2,08,76,800 Equity Shares of Rs. 10/- each Fully Paid-Up	2,087.68	2,087.68
Less : Call Money Due on Equity Shares	(3.92)	(3.92)
Total	2,083.76	2,083.76

Reconciliation of the Number of Equity Shares Outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020	As at 31.03.2019
	No. of Shares	No. of Shares
Outstanding at the Beginning of the Reporting Year	208,76,800	208,76,800
Add: Issued During the year	-	-
Outstanding at the End of the Reporting Year	208,76,800	208,76,800

Terms / Right Attached to Equity Shares

The Company has only one class of equity shares having a face value of INR 10 each. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees, if any. The dividend proposed by the board of directors, if any is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in the number of equity shares held by the shareholders at the time of liquidation

Details of Shareholders holding more than 5% share in the company

Equity Shares Fully Paid at Rs. 10/- each

No.	Name	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	93,57,187	44.82	93,57,187	44.82

14. Long Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	37.11	-
	37.11	-

15. Deferred Tax Assets (Liabilities)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability		
Property plant and equipment	5.64	5.24
Right to Use (Lease Asset)	35.86	-
Deferred Tax Asset		
Lease Liability	(38.34)	-
Gratuity Provision	(13.97)	-
	(10.82)	5.24

16. Other Financial Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Non-Current		
Lease Liability	141.27	-
Security Deposit	15.74	10.30
Unamortised Advance Rentals	3.94	-
	160.95	10.30

Current

Unamortised Advance Rentals	1.53	-
Expenses payables	235.19	409.18
Lease Liability	12.07	-
	248.78	409.18

17. Borrowing

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Secured, Loans Repayable on Demand		
From Banks		
Union Bank of India (CC A/c) ¹	980.79	1,559.92
The Bank of Nova Scotia	175.55	1,845.10
Union Bank of India (Gold Loan) ¹	6,695.63	6,762.34
Yes Bank Bullion Account ²	365.80	2,924.54
Yes Bank CC	412.54	-
Yes Bank EPC	101.49	-
Yes Bank WCDL	1,385.00	-
Unsecured		
From Directors	-	2.00
	10,116.81	13,093.90

1	The Cash Credit facility and Gold Loan from the Union Bank of India is collaterally secured by way of the equitable mortgage of property being Shops at Kalyan bearing No. 3, 103, 4, 104, 15, 115, 16 and 116 and office no. 114, 115 at Panchratna, Opera House, Mumbai, Pledge of 62.63040 Lakhs shares of Swarnsarita Gems Limited held by Promoter group (Swarnsarita Jewellers Private Limited), personal guarantee given by the directors of the company and Corporate guarantee of Swarnsarita Realty Private Limited and hypothecation of Stock and book debt upto 90 days.
2	The Cash Credit facility from YES Bank is secured by exclusive charge by way of equitable/ registered mortgage on 2 residential properties situated i.e. 901, Silver Solitaire, Opp Axis Bank, Tilak Road Ghatkopar East, Mumbai and 1603, Panorama, The Address, opp. R. City Mall, LBS Road Ghatkopar West Mumbai, Charge on all the present and future current assets and movable fixed assets, personal guarantee of directors of the company.

18. Trade Payable

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payable due to		
Micro and Small Enterprise	0.16	-
Other than Micro and Small Enterprise	222.29	395.73
	222.45	395.73

[*] Disclosure in respect of Micro, Small and Medium Enterprises:		As at 31.03.2020	As at 31.03.2019
A	Principal amount remaining unpaid to any supplier as at the year end	0.16	-
B	Interest due thereon	-	-
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D	Amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium.			

19. Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Advance received from customer	191.48	17.00
Payable to Statutory Authorities	23.23	34.83
	214.71	51.83

20. Short Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	18.40	-
	18.40	-

21. Current Tax Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Income tax liabilities	10.57	47.18
	10.57	47.18

Swarnsarita Gems Limited

Notes to Financial Statement for the Year Ended 31st March, 2020

22. Revenue from operation

(Rs. in lakhs)

Particulars	31 March 2020	31 March 2019
Sale of Goods	55,458.63	53,850.42
Rent Income	40.34	60.50
Labour Charges Received	414.88	973.31
	55,913.86	54,884.23

23. Other Income

Particulars	31 March 2020	31 March 2019
<i>Interest Income</i>		
Interest Income on Bank Deposits	224.04	121.29
Interest Income Lease (Security Deposit)	3.15	-
Other Interest Income	70.60	60.24
<i>Other Non Operating Income</i>		
Exchange difference	384.17	427.36
Gain/Loss on valuation of Shares and mutual fund at fair value	(0.42)	0.39
Profit on Sale of Mutual Fund	-	0.28
Profit on Sale of Fixed Assets	1.87	-
Miscellaneous Income	0.37	(0.15)
Bad Debts Receovery	(0.29)	0.50
Discount Rebate and Round off	0.66	(0.65)
	683.77	609.40

24. Cost of material consumed

Particulars	31 March 2020	31 March 2019
Purchase of Goods	52,737.98	54,855.19
Labour Charges & Other Charges	425.53	687.99
<u>Add:- Opening Stock</u>		
Raw Material	4,605.06	2,078.42
<u>Less:- Closing Stock</u>		
Raw Material	4,647.00	4,605.06
Raw Material Consumed	53,121.57	53,016.54

25. Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progres

Particulars	31 March 2020	31 March 2019
Opening Balance of Inventory	6,652.05	5,707.14
Less: Closing Balance of Inventory	5,620.80	5,644.39
	1,031.25	62.75

26. Employee benefit expenses

Particulars	31 March 2020	31 March 2019
Salaries and Wages*	600.95	610.71
Contribution to Employee Benefits	7.11	-
Staff Welfare Expenses	18.85	14.81
Gratuity Expense	55.52	-
	682.43	625.52

*Salaries and wages includes director remuneration of Rs. 144 Lakhs.

27. Finance Costs

Particulars	31 March 2020	31 March 2019
Interest Expenses	537.09	501.87
	537.09	501.87

28. Depreciation and Amortisation Expenses

Particulars	31 March 2020	31 March 2019
Depreciation on Tangible Assets (Note 1)	21.43	20.51
Depreciation on Intangible Assets (Note 3)	0.13	0.04
Depreciation on Right to use assets (Note 2)	66.24	-
	87.79	20.55

29. Other Expenses

Particulars	31 March 2020	31 March 2019
Auditor Remuneration	9.80	5.96
Bad Debts & Provision for Doubtful Debts	80.49	-
Brokerage and Commission	1.75	23.16
Certification Charges	17.79	23.62
Donation	5.06	0.23
Exhibition Charges	54.11	70.16
Export Expenses	27.30	24.78
Freight Charges	35.58	69.42
Insurance Expenses	10.57	10.60
SEBI Penalty	-	17.16
Repairs and Maintenance	3.04	4.56
Business Promotion Expense	10.32	21.99
Office Expenses	111.22	99.07
Rental Expense	54.26	151.88
Factory Expenses	13.61	10.15
Interest on Statutory Dues	5.41	1.95
Other Expenses	2.43	7.09
Listing Fees and Depository Charges	4.68	4.14
	447.43	545.93

Auditors Remuneration*

Particulars	31 March 2020	31 March 2019
Statutory Audit Fees	7.25	5.96
Audit Fees for Limited Review	1.00	-
GST Audit Fees	1.00	-
Stock Audit Fees	0.55	-
Out of pocket expenses	-	-
Total	9.80	5.96

A. Company Overview

Swarnsarita Gems Limited ('the Company') is public limited company and a company limited by shares incorporated under the Companies Act, 1956. It was incorporated on 25th August, 1992. It is a Non-Government company. It is registered at Registrar of Companies, Mumbai, Allotted CIN L36911MH1992PLC068283 and its registration number is 68283. Swarnsarita Gems Ltd is involved in the business of Export & Import and Manufacturing & Trading of Polished Diamonds, Gems & Jewellery. It offers products such as diamond studded rings, bracelets, pendants, diamond necklaces, earrings, etc. in silver & gold. Swarnsarita Gems Ltd. is listed on the Bombay Stock exchange as a result of takeover of a profit making company Shyam Star Gems Ltd.

B. Statement of Compliance

The financial statements of company have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) amendment rules, 2016 and other relevant provisions of the act.

The financial statements were authorized for issue by the company's Board of Directors at their meeting held on 9th July, 2020.

C. Significant Accounting Policies**1. Basis of Preparation & Presentation of Financial Statement**

The financial statements are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of Cash Flows has been prepared and presented as per the requirements of IND-AS 7 "Statement of Cash flows". The financial statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and other relevant provisions of the act. These financial statements have been prepared under the historical cost convention except certain Financial Assets and liabilities, which have been measured at fair value. The accounting policy provides information on such Financial Assets and Liabilities measured at fair value. The Company follows the accrual basis of accounting.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

The financial statements are presented in Indian Rupees in Lakh and all values are rounded off to the nearest lakh as permitted by Schedule III of the Companies Act 2013. Earnings per share data are presented in Indian Rupees up to two decimal places.

2. Use of Estimates and Judgments

The preparation of the financial statements in conformity Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosure and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the period presented.

Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets and liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Accounting Judgments and Key Sources of Estimation Certainty

The key assumptions concerning the future and other key sources of estimation, 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 Company has 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 Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note – 20 (ii) below. For the purpose of assessing the leave availment rate, the Company considered the past leave availment history of the employees.

ii. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

iii. Valuation of Deferred Tax Assets / Liabilities

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 17 (ii) below.

iv. Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2020, there were no changes in

useful lives of property plant and equipment and intangible assets. The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a property, plant or equipment and intangible assets may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognized in profit or loss

v. *Going concern:*

During the current year ended March 31, 2020, management has performed an assessment of the entity's ability to continue as a going concern. Based on the assessment, management believe that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on going concern basis.

vi. *Impairment of Investments*

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

vii. *Provision for Inventory*

The Company provides provision based on policy, past experience, current trend and future expectations of the inventory held by them.

3. Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

Fair value hierarchy:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

4. Current and Non-current classification:

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

5. Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

6. Property, plant and equipment

Property, Plant and Equipment (PPE) is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use as estimated by the management. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the property, plant and equipment is de-recognized.

Depreciation is calculated on a Straight-Line Method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset and adjusted if appropriate.

Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Depreciation charged for impaired Assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Mettler Balance	Straight line	5 years
Motor Cars	Straight line	8 Years
Office Equipment	Straight line	5 years
Computers	Straight line	3 years
Furniture & Fixtures	Straight line	10 years
Plant & Machinery	Straight line	15 years
Office Building	Straight line	60 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

7. Intangible assets

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the

amortization method is changed to reflect the changed pattern.

Amortization on impaired Assets is provided by adjusting the amortization charges in the remaining period so as to allocate the Asset's revised carrying amount over its remaining useful life.

Amortization is provided using the Straight-Line Method as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No.	Nature of Assets	Estimated useful life (In years)
1.	Trademark	10 years
2.	Software	10 years

8. Recent Accounting Pronouncements

In March 2019, the MCA issued IndAS 116, Leases. Ind-AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use Assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the Balance Sheet in a manner largely comparable to current finance lease accounting. Ind-AS 116 is effective for annual periods beginning on or after April 1, 2019. The company will adopt the standard for the fiscal year beginning as of April 1, 2019, by applying the modified retrospective approach, i.e. comparative figures for the preceding year will not be adjusted. By applying Ind-AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use Assets and interest expense on lease liabilities. This result in a deterioration in cash flows from financing activities and an improvement in cash flows from operating activities. The Company is currently assessing further impacts of adopting Ind-AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind-AS 116.

9. Leases as per IND-AS 116

The company determines whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company recognizes Right to Use and lease liability at the commencement of the lease period.

Subsequently the right to use is shown as at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. The company applies depreciation requirements of IND-AS 16, Property, Plant and Equipment, in depreciating the right-of-use asset and the lease term mentioned in the contract is taken as useful life for calculating the depreciation.

The company measures the lease liability at the present value of the lease payments. The lease payments are discounted using incremental borrowing rate applicable to the company for a similar term. Subsequently the lease liability is increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

In the current year, the company has recognized Interest on Lease Liability and Amortization of Right to Use Asset as per Ind AS 116 "Lease" in the profit and loss statement as under.

- ii. Amortization of Right to use Asset of Rs. 66.24 Lakhs
- iii. Total Outstanding Cash Outflow for Lease as per the agreement is Rs. 153.34 Lakhs
- iv. The Carrying amount of Right to use Asset as on 31st March, 2020 is Rs. 143.41 Lakhs

The Company has taken premises under leave and license agreement, the rent and escalation of which depends upon the lease by the Company. The Company has given refundable interest free security deposits under certain agreements.

The disclosure requirement and maturity analysis of lease liability and asset as per IND-AS 116 are as follows:

- i. The net carrying amount of Right to use Asset (Cost less Depreciation):

(Rs. In Lakhs)

Particulars	Opening as on 31 st March, 2019	Addition	Deletion	Closing as on 31 st March, 2020
Leasehold Premises	Nil	209.64	0	143.41
Total	0	209.64	0	143.41

- ii. The Total Minimum Lease Payment as on 31st March, 2020 is Rs. 153.34 Lakhs, the maturity analysis of which as below:

Maturity Analysis of the Minimum lease payment for the following years as follow:

(Rs. In Lakhs)

Particulars	As on 31 st Match, 2020	As on 31 st March, 2019
Within 1 year	12.07	0
Above 1 year	141.27	0

10. Impairment of Non-Financial assets

Tangible and Intangible Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

Other Assets

As at each Balance Sheet date, the carrying amount of Assets is tested for impairment so as to determine:

- i. The provision for impairment loss, if any; and

- ii. The reversal of impairment loss recognised in previous periods, if any, Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i. In the case of an individual asset, at the higher of the net selling price and the value in use;
- ii. In the case of a cash generating unit (a group of Assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

11. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

a) Financial Assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (g) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Financial Assets at amortized cost
- (ii) Financial Assets at fair value through other comprehensive income (FVTOCI)
- (iii) Financial Assets at fair value through profit or loss (FVTPL)

i. Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset shall be classified and measured at fair value through other comprehensive income if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting

contractual cash flows and selling financial assets and,

- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI at initial recognition, is classified as at FVTPL. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of Financial Assets

A financial asset is de-recognized when and only when:

- i. The contractual rights to the cash flows from the financial asset expire;
- ii. It transfers the financial Assets and the transfer qualifies for de-recognition.

b) Financial liabilities

Financial Liabilities are subsequently carried at amortized cost using the effective interest method for trade and other payables, maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

12. Inventories

Inventories of Gems and Jewellery

Inventories comprise of raw materials and finished goods are carried at the lower of cost or net realizable value. Cost of Finished Goods (Gold and Diamond Jewellery) and Raw Material (Gold and Other Precious Metal) are determined on weighted average basis by taking average of borrowed gold and self-purchased gold separately for.

Other Finished Goods are valued at cost or net realizable value whichever is lower. Raw material of Loose diamonds are valued specifically at weighted average cost method.

Inventories of Shops and Flats

Finished goods in the form of Flats and Shops are also valued at lower of cost and net realizable value.

General Provisions

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognized based on the year end closing gold rate.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

13. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

14. Bank balances other than cash and cash equivalents

The company considers all financial instruments, which are convertible into known amounts of cash that are subject to an insignificant risk of change in value and have original maturities of more than three but not more than twelve months from date of purchase, to be bank balances other than cash and cash equivalents. These balances consist of deposits with banks which are restricted for withdrawal or usage before the original maturity barring a few exceptions where they can be withdrawn or used subject to modified contractual terms such as decreased rates of interest or payment of applicable fines/penalties.

15. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares options are recognized as a deduction from equity, net of any tax effects.

16. Gold Loan:

- i. Transactions of purchase of gold under Gold Loan Scheme of the banks where the final rate of gold is settled on the subsequent date to the date of transactions are normally recorded at the prevailing rate of gold and exchange rate on the date of transaction as per proforma invoice provided by the suppliers of the gold.
- ii. Difference arise in the value of purchases as compared to the value as per proforma invoice on the date of settlement of transaction is transferred to the purchase cost as plus or minus as the case may be.
- iii. Monetary item of gold loan denominated in foreign currency at the yearend are translated at the yearend rate of exchange of the foreign currency and the year-end rate of gold on the London Metal Exchange as certified by the seller bank of the gold and difference so arrived is taken to the cost of purchase of goods.

17. Income taxes

Income tax expense comprises current tax and deferred tax. It is recognized in the Statement of profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current income taxes

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. 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 India. Advance taxes and provisions for current income taxes are presented in the Balance sheet without offsetting advance tax paid and income tax provision arising in the same tax jurisdiction.

ii. Deferred Income Taxes

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction

Deferred income tax asset are recognized 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 utilized. The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. 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.

Transaction or event which is recognised outside the statement of Income and Expenditure, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement).

18. Revenue recognition as per IND AS 115

The Company earns revenue primarily from manufacturing and trading of gold Jewellery. In appropriate circumstances, revenue is recognized when no significant uncertainty as to determination or realization exists. Revenue is reported net of discounts, indirect taxes.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

i. Revenue from operations

The Company earns its prime revenue from Export of jewellery, cutting & polishing of diamonds, Job work charges. The revenue from such transactions is reported in the period in which it occurred.

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

ii. Revenue from other Income

Other income of Company includes income from Interest on Fixed Deposits and Unsecured Loan, Rental Income, and Interest on Late Payments. These amounts are reported in the period in which they accrue.

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and at an effective interest rate, as applicable.

19. Cost recognition

Costs and Expenses are recognized on an accrual basis as and when they become payable, and have been clarified according to their nature. The costs of the Company are broadly categorized in cost of material consumed, employee benefit expenses, finance costs, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds, staff welfare expenses and Gratuity Expense. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, exhibition charges, freight charges, export expenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

20. Employee Benefits

i. Short term Employee Benefits

All employee benefits payable wholly within a period of twelve months of receiving employee services are classified as short-term employee benefits. Benefits such as salaries, allowances, advances and similar payments paid to the employees of the Company are recognized during the period in which the employee renders such related services.

The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

ii. Post-employment Benefits

Defined contribution plans

The employee benefits payable after twelve months or more of rendering the service are classified as long term employee benefits. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and employee state insurance, which are defined contribution plans, at the prescribed rates. The Company's contribution is recognized as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined Benefit Plans

Gratuity

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation carried out by an independent actuary, made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. These benefits are settled at the time of cessation of service by the employee due to retirement etc.

The company has recognized a liability for payment of post employment benefits to employees amounting to Rs. 55.52 Lakhs. The summarized position of gratuity benefits is recognized in the Profit and Loss Account and Balance Sheet are as under:

Net Asset/(Liability) recognized in Balance Sheet	31 March 2020	31 March 2019
Present Value of Obligation	55.52	-

Fair Value of Plan Assets	-	-
Funded Status - (Surplus) /Deficit	-	-
Net Asset /(Liability) recognised in the Balance Sheet	55.52	-
Amount recognised in the Statement of Income and Expenditure Account	31 March 2020	31 March 2019
Current Service Cost	55.52	-
Interest Cost	-	-
Expected Return on Plan Asset	-	-
Total Expense / (Income) charged to Income and Expenditure Account	55.52	-
Reconciliation of amounts in Balance Sheet	31 March 2020	31 March 2019
Opening Net Defined Benefit Liability /(Asset)	-	-
Total Expense (Income) recognised in Income and Expenditure	55.52	-
Actual Employer Contribution Paid	-	-
Total Re-measurements recognised in Other Comprehensive Income/(Loss)	-	-
Liability / (Asset) recognised in the Balance sheet	55.52	-
Change in Present Value of Obligation during the Period	31 March 2020	31 March 2019
Present Value of Obligation at the beginning of the Year	-	-
Current Service Cost	55.52	-
Interest Cost	-	-
Actuarial (Gain)/Loss on Obligation	-	-
Benefits Paid	-	-
Present Value of Obligation at the end of the Year	55.52	-
Change in Fair Value of Plan Assets during the Period	31 March 2020	31 March 2019
Fair Value of Plan Assets at the Beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions Made	-	-
Benefits Paid	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
Amount recognised in other comprehensive income	31 March 2020	31 March 2019
Opening amount recognised in OCI	-	-
Re-measurements due to :		
Effect of Change in Financial Assumption	-	-
Effect of Change in Demographic Assumption	-	-
Effect of Experience Adjustments	-	-
Actuarial (Gain)/Loses	-	-
Return on Plan Assets (excluding Interest)	-	-
Total Re-measurements recognised in OCI	-	-
Amount recognised in OCI at the end of the period	-	-

Actuarial assumptions	31 March 2020	31 March 2019
Discount Rate	5.45% p.a.	-
Expected Rate of Return on Assets	-	-

Withdrawal Rates	40% p.a. across all ages	-
Future Salary Increases considering Inflation, Seniority, Promotion	0% for next 1 year and 5% p.a. thereafter	-

21. Foreign Currency

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The functional currency of the Company is Indian rupee. The resultant exchange differences (gains and losses) arising on settlement and restatement are recognized in the Statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

22. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares. However the company did not have any potentially dilutive securities in any of the year's presented.

23. Statement of Cash flow

Statement of Cash flow is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net surplus is adjusted for the effects of changes during the period in inventories, operating receivables and payables transactions of a non-cash nature

- Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- All other items for which the cash effects are investing or financing cash flows.

D. Notes to the Accountants

24. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basic of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows

(In ` lakhs)

Financial Assets	Fair value through Profit or loss	Amortized Cost	Total carrying value
Non-Current			
Other Financial Assets	0	57.55	57.55

Current			
Investments (other than in subsidiary)	10.02	0	10.02
Trade Receivables	0	6,868.86	6,868.86
Cash and cash equivalents	0	240.41	240.41
Bank Balances Other than Cash and Cash Equivalents	0	1,681.01	1,681.01
Loans and Advances	0	24.26	24.26
Other Financial Assets	0	4.39	4.39
Total	10.02	8,876.48	8,886.50

(in ` lakhs)

Financial Liabilities	Fair value through Profit or loss	Amortized Cost	Total carrying value
Trade payable	0	222.45	222.45
Borrowings	0	10,116.81	10,116.81
Other financial liabilities	0	409.73	409.73
Total	0	10,748.99	10,748.99

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(In ` lakhs)

Financial Assets	Fair value through Profit or loss	Amortized Cost	Total carrying value
Non-Current			
Other Financial Assets	0	58.73	58.73
Current			
Investments (other than in subsidiary)	10.45	0	10.45
Trade Receivables	0	6,380.11	6,380.11
Cash and cash equivalents	0	90.50	90.50
Bank Balances Other than Cash and Cash Equivalents	0	3,969.22	3,962.22
Loans and Advances	0	21.65	21.65
Other Financial Assets	0	0	0
Total	10.45	10,520.21	10,530.66

(in ` lakhs)

Financial Liabilities	Fair value through Profit or loss	Amortized Cost	Total carrying value
Trade payable	0	395.73	395.73
Borrowings	0	13,093.90	13,093.90
Other financial liabilities	0	419.48	419.48
Total	0	13,909.11	13,909.11

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial asset that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(in ` lakhs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	9.98	-	-	9.98
Equity shares	0.04	-	-	0.04

Total	10.02	-	-	10.02
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(in ` lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	10.39	-	-	10.39
Equity shares	0.06	-	-	0.06
Total	10.45	-	-	10.45

(b) Financial Risk Management

The Company is exposed primarily to credit, liquidity, and fluctuations in foreign currency exchange rates and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

1. Foreign currency exchange rate risk

The company is not significantly exposed to the fluctuation in foreign currency exchange rate. The company export goods outside India for which bills are issued in US \$ and payment of the same will be received on letter date. The company carries the risk of fluctuation in foreign currency exchange rate on export transaction.

2. Interest rate risk

The company's investments are primarily in fixed rate bearing investments/fixed deposits hence the company is not significantly exposed to interest rate risk.

(ii) Credit Risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 11,005.56 lakhs and 12,543.46 lakhs as at March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, and other financial assets.

The Company's exposure to customers is diversified and one customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2020 and no such customer contributes to more than

10% of outstanding accounts receivable as at March 31, 2019.

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2020

Name of Customer	Outstanding Amount (in Lakhs)	% to total receivables
Mahashila Jewellery	741.50	10.68%

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2019

Name of Customer	Outstanding Amount (in Lakhs)	% to total receivables
No such customer	-	-

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

25. Earnings per equity share

Particulars	2020	2019
Profit for the year (in ` lakhs)	452.64	479.27
Weighted average number of equity shares (in ` lakhs)	208.77	208.77
Earnings per share basic and diluted (in ₹)	2.17	2.30
Face value per equity shares (in ₹)	10	10

26. Micro and Small Enterprises

The amounts due to micro, small and medium enterprises have been determined on the basis of information collected by the management and are disclosed in Note No. 18 "Trade Payable" of Balance Sheet.

27. Related Party Transaction

Name of KMP/Related Party

Name of Related Party/KMP	Designation/Particulars	Date of Appointment	Date of Retirement/Cessation
Mahendra Charodia	Managing Director	07/03/2011	-
Seema Charodia	Executive Director	17/10/2017	-
Sunny Charodia	Executive Director	17/10/2017	-
Sanket Dangi	Chief Financial Officer	05/07/2015	-
Rajendra Charodia	Managing Director	03/07/2012	-

	(Swarnsarita Realty Pvt. Ltd.)		
Vardhaman Jain	Executive Director (Swarnsarita Realty Pvt. Ltd.)	23/05/2017	-
Ganpat Karnawat	Chief Financial Officer (Swarnsarita Realty Pvt. Ltd.)	20/03/2020	-
Swarnsarita Jewellers Private Limited	Majority Shareholder	-	-
M/s Swarnsarita Jewellers	Firm in which directors are interested	-	-

Transactions with related parties are as follows:

Year ended March 31, 2020

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Interest income	0	0
Rent Expenses	12	27
Loan/ Advance Given	0	0
Loan/Advance repayment received	0	0
Remuneration (Short term Benefit)	159	100.80
Post-Employment Benefits	0	0
Other Long-Term Benefits	0	0

Year ended March 31, 2019

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Interest income	0	0
Rent Expenses	42	30
Loan/ Advance Given	0	0
Loan/Advance repayment received	0	0
Remuneration (Short term benefit)	160.75	100.80
Post-Employment Benefits	0	0
Other Long-Term Benefits	0	0

*The above Post-employment benefit excludes gratuity provision which cannot be separately identified from the composite amount advised by actuary.

Balance Receivables from Related parties are as follows:

As at March 31, 2020

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Investments	0	0

Loans/Advances	0	0
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As at March 31, 2019

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Investments	0	0
Loans/Advances	0	0

Balance Payable to Related parties are as follows:

As at March 31, 2020

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Rent Payable	0	5.40
Salary Payable	1.23	2.56
Director Remuneration Payable	14.63	0

As at March 31, 2019

(In lakhs)

Particulars	Key management Personnel	Other Related Parties
Rent Payable	4.32	3.55
Salary Payable	1.25	3.54
Director Remuneration Payable	9.06	0

28. Contingent Liability

(In Rs. Lakhs)

Contingent Liabilities and Commitments (to the extent not provided for)	As on 31 st March, 2020	As on 31 st March, 2019
Commitments	0	0
Contingent liability on account of Income Tax Demand	447.28	0
Contingent liability on account of Service Tax Demand	21.90	0
Contingent Liability other Matters	0	0
Total	469.18	0

29. Notes on Changes on Account of transition to IND-AS 116

The Company has adopted the standard beginning 1st April, 2019, using a prospective approach for transition. Accordingly, the Company has restated the comparative information. This has resulted in recognizing a "Right of use asset" of ₹ 143.41 lakhs and a corresponding "Lease liability" of ₹ 141.27 lakhs as at 31st March, 2020.

Consequently, in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortization expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result, the "Rent"/"Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

30. Dividends

The Company has not declared any dividend during the year

COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The Indian Government on March 24, 2020, announced a 21-day complete lockdown across the country, to contain the spread of the virus. The lockdown has since been extended with gradual relaxations. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

However, the company believes that the pandemic is not likely to impact the carrying value of its assets. The company continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial results.

32. Contribution on CSR Activities

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2020 Rs. 11.79 Lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company however has not incurred any amount during the year ended March 31, 2020, towards CSR expenditure.

33. Previous year's figures have been regrouped, reclassified & rearranged to correspond with the current year figures / presentation wherever necessary.

As per our report of even date
For Banshi Jain and Associates
Chartered Accountants
Firm Regn. No.- 100990W

For and On behalf of the Board of Directors of Swarnsarita Gems Limited

Mahendra M. Chordia	Sunny M. Chordia	Dhruvin B. Shah	Sanket Dangi
Managing Director	Director	Director	Chief Financial Officer
DIN: 00175686	DIN: 06664041	DIN: 07528387	

R. B. Golecha
Partner
Membership No. 035348

Seema R. Chordia	Umang Mehta	Deep S. Lakhani	Deepak Suthar
Executive Director	Director	Director	Company Secretary
DIN: 02685866	DIN: 07974230	DIN: 08018001	

Place: Mumbai

Date: 9th July, 2020

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SWARNSARITA GEMS LIMITED

(CIN: L36911MH1992PLC068283)

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Email: info@swarnsarita.com Website: www.swarnsarita.com