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ANNUAL REPORT 2017-18



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SWARNSARITA GEMS LTD.

GENERAL INFORMATION

Board of Directors:

Mr. Mahendra Madanlal Chordia
Mr. Sunny Mahendra Chordia
Mrs. Seema Rajendra Chordia
Mr. Dhruvin Bharat Shah
Mr. Ashok Surana
Mr. Vishal R Nolkha
Mr. Sunil Jain
(Resigned w.e.f. 26th July, 2017)
Mrs. Asha Mahendra Chordia
(Resigned w.e.f. 17th October, 2017)

Managing Director
Whole- time Director
Whole- time Director
Independent Director
Independent Director
Independent Director
Whole-time Director

Director

Company Secretary & Compliance Officer:

Mrs. Prafulla Devaliya

Chief Financial Officer:

Mr. Sanket Dangi

Statutory Auditors:

SURESH ANCHALIYA & CO
Chartered Accountant

Bankers:

UNION BANK OF INDIA

Zaveri Bazar Branch,
Mumbai – 400002

YES BANK LIMITED

Fort Branch, Mumbai- 400001

Registered Office:

125/127, Daya Mandir, 6th Floor,
Room No. 5 to 10, Mumbadevi,
Mumbai – 400003

PRODUCTION UNIT:

G-10, Suyog Industrial Estate,
Gandhi Nagar, LBS Marg,
Vikhroli (West), Mumbai-400083

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BRANCHES:

AHMEDABAD:

204, Shails Mall, 4th Lane, C.G. Road, Ahmedabad - 380 007

KOLKATA:

Office No 4 A, 3rd Floor, Mansarovar, Opp. Vardaan Market,
3B, Camac Street, Kolkata (W.B.) -700016

BANGALORE:

Shop No 3, 1st Floor, Nagarathpet Main Road, Bangalore –
560002

DELHI:

XVI/2364 M.NO. 103, First Floor, SRM Emporia Mall, Bank
Street, Karol Bagh, New Delhi –410005

Registrar and Share Transfer Agent:

M/s. Sharex Dynamic (India) Private Limited Unit-1, Luthra
Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E),
Mumbai - 400 072, Maharashtra, India. Tel:-+91-22-28515606
Fax: - +91-22-28512885
E-mail:-sharexindia@vsnl.com

SWARNSARITA GEMS LTD.

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of SWARNSARITA GEMS LIMITED will be held at Maharaja Agrasen Bhavan, 90 Feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai - 400077 on Wednesday, 26th September, 2018 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements as at 31st March, 2018 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Madanlal Chordia (DIN: 00175686), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT, pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 22nd September 2014, the appointment of **M/s. Suresh Anchaliya & Co., Chartered Accountants** (Firm Registration no. 112492W) as the auditors of the Company to hold office till the conclusion of the fifth consecutive AGM to be held in the year 2019 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration payable to them for the financial year 31st March 2019 as may be determined by the audit committee in consultation with the auditors.”

SPECIAL BUSINESS:

4. To fix and approve limits for making an investments, giving Loans and guarantees or providing securities under companies Act, 2013 and in this regard to consider and if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which expression shall include a Committee of directors duly authorized in this behalf), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to make an investments, give Loans and guarantees and provide securities, which may exceed 60% of the aggregate of the paid-up share capital and free reserves and/or 100% of the aggregate of free reserves of the Company as per the limits prescribed under Section 186, subject to the maximum aggregate amount not exceeding ₹ 500.00 Crores (Indian Rupees Five Hundred Crores) in one or more tranches.

RESOLVED FURTHER that the proposed investments shall be made from the internal resources of the Company.

RESOLVED FURTHER that any of the Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may deemed expedient and necessary to give effect to this resolution for and on behalf of the Company.”

5. To approve the terms of appointment and remuneration of Mr. Sunny Mahendra Chordia [DIN: 06664041] as Whole-time Director of the Company:

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and also subject to relevant provision of Articles of Association of the Company and such other consents and permission as may be necessary, approval of the Members of the Company be and is hereby accorded for approval of terms and conditions of appointment and remuneration payable as set out in the explanatory statement annexed to the notice convening this meeting, as approved by Nomination and Remuneration Committee, to Mr. Sunny Mahendra

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Chordia [DIN: 06664041] as Whole-time Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of five years i.e. with effect from October 17, 2017 and ending of October 16, 2022 .

RESOLVED FURTHER THAT notwithstanding anything herein above wherein during the tenure of Mr. Sunny Mahendra Chordia as a Whole-time Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Sunny Mahendra Chordia by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be agreed to by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and/ or remuneration, subject to limits as specified under section 197, read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do such acts, matters, deeds and things as may be necessary and incidental to give effect to this resolution including filing of relevant e-Form(s) with the Ministry of Corporate Affairs [Registrar of Companies, Mumbai] .”

6. To approve the terms of appointment and remuneration of Mrs. Seema Rajendra Chordia [DIN: 02685866] as Whole-time Director of the Company:

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

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and also subject to relevant provision of Articles of Association of the Company and such other consents and permission as may be necessary, approval of the Members of the Company be and is hereby accorded for approval of terms and conditions of appointment and remuneration payable as set out in the explanatory statement annexed to the notice convening this meeting, as approved by Nomination and Remuneration Committee, to Mrs. Seema Rajendra Chordia [DIN: 02685866] as Whole-time Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of five years i.e. with effect from October 17, 2017 and ending of October 16, 2022 .

RESOLVED FURTHER THAT notwithstanding anything herein above wherein during the tenure of Mrs. Seema Rajendra Chordia as a Whole-time Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mrs. Seema Rajendra Chordia by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be agreed to by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and/ or remuneration, subject to limits as specified under section 197, read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do such acts, matters, deeds and things as may be necessary and incidental to give effect to this resolution including filing of relevant e-Form(s) with the Ministry of Corporate Affairs [Registrar of Companies, Mumbai] .”

For and on behalf of the Board of Directors

Place : Mumbai
Date : 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

REGISTERED OFFICE:
125/127, Daya Mandir, 6th Floor,
Room No. 5 to 10, Mumbadevi,
Mumbai - 400003

SWARNSARITA GEMS LTD.

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.*

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books will remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive).
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & Public holidays between 12.00 p.m. to 2.00 p.m. up to the date of Annual General Meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.
8. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at SHAREX DYNAMIC (INDIA) PRIVATE LIMITED Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 in respect of their physical share folios.
10. Members are requested to bring their copy of Annual Report to the Meeting alongwith their respective Attendance Slip sent herewith duly filled for attending the Meeting.
11. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialized at the earliest.
12. Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 is annexed for items of the Special Businesses in the Notice of AGM.
13. The Annual Report for 2017-2018, the Notice of the 26th AGM and instructions for e-voting, along with the Attendance slip and Proxy form are being sent physical copies to all the members of the company by Registered Post at their registered address.
14. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as

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annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

15. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the business set out in the Notice will be transacted through such voting.
16. Members are requested to bring their copies of the reports to Annual General Meeting.
17. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
18. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
19. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date i.e. Wednesday, September 19, 2018.
20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
21. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED

Unit: Swarnsarita Gems Limited

Share Transfer Agent

Unit 1, Luthra Ind Premises, Safed Pool,

Andheri Kurla Road, Andheri (East),

Mumbai – 4400072, Maharashtra, India.

Ph. 022 – 28515606 | Fax: 022-28512885

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The Members may cast their votes through E-voting from a place other than the venue of the AGM ("Remote E-voting").

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from 9.00 am (IST) on Sunday September 23, 2018 and will end at 5.00 pm (IST) on Tuesday September 25, 2018. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut-off date i.e. Wednesday, September 19, 2018.

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e.

SWARNSARITA GEMS LTD.

Wednesday, September 19, 2018 only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on August 25, 2018 has appointed Mr. Deep Shukla, Practicing Company Secretary (Membership No. FCS 5652) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than forty eight hours pursuant to Reg. 44 of SEBI (LODR), 2015, from the conclusion of the AGM, make a consolidated Scrutinizer's report and submit the same to the Chairman/ Managing Director.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.swarnsarita.com and on the website of CDSL and shall also be communicated to BSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Wednesday, 26th September 2018

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, September 23, 2018 (9.00 a.m.) and ends on Tuesday, September 25, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 19, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Swarnsarita Gems Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

SWARNSARITA GEMS LTD.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In view of increased turnover and profitability during past years, sometime company may have spare funds. For better utilization of these liquid funds in the hands of company may be invested into securities/give loans or provide guarantees.

Board of Directors at their meeting held on 25th August, 2018 decided to seek approval of shareholders for giving loan / providing guarantee or security in connection with a loan to any other body corporate or person / make an investment exceeding the sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account, whichever is more.

As a measure of achieving business objectives, approval of the shareholders is sought pursuant to the provisions of section 186 of the Companies Act, 2013 to give powers to the Board of Directors for acquiring by way of subscription, purchase or otherwise securities of any Body Corporate and/or to give loan to any Body Corporate or person and/or to give guarantee or provide security in connection with a loan to any other Body Corporate or person in one or more tranches and from time to time, upto the maximum amount of ₹ 500.00 Crores (Rupees Five Hundred Crores Only) outstanding at any point of time notwithstanding that the aggregate amount of all the loans/guarantees/security/investments so far made together with the proposed loans/guarantees/security/investments to be made, exceeds the limits prescribed under section 186 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and the relative of the Directors are directly concerned or interested, financially or otherwise in the resolution set out at item no. 4.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

The Board of Directors ("the Board"), upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Sunny M. Chordia as Whole-time Director of the Company with effect from October 17, 2017. Pursuant to provisions of Section 196, 197 203 and other applicable provision, if any, read with Schedule V of the companies Act, 2013 and Rules made thereunder and the said appoint is subject to approval of members of the Company in ensuing Annual General meeting, for the period of 5 (five) year with effect from October 17, 2017 to October 16, 2022 on such terms and conditions of his appointment are as follows:

- Salary not exceeding ₹5,00,000/- per month, with such increments as may be decided by the Board of directors scale of 10% to 30%.

Perquisites:

In addition to the above salary, the following perquisites shall also be granted:

- a) Performance Bonus/ Variable payout: Payable at such intervals as may be decided by the Board of Directors.
- b) Perquisites and allowances:
 - i) Medical reimbursement/allowance: as per the rule of the Company.
 - ii) Provision for driver/ driver's salary allowance : as per the rules of the Company.
 - iii) Personal accident insurance: as per the rule of the Company.
- c) Other :
 - i) Earned/ privilege leave: as per the rules of the Company.
 - ii) Encashment of leave: as per the rules of the Company.

The resolution seeks the approval of the members in terms of sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder for appointment Mr. Sunny M.

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Chordia as a Whole-time Director for a period of 5 (five) year with effect from October 17, 2017.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sunny M. Chordia to whom the resolution relates and Mr. Mahendra Madanlal Chordia being relative of Director, are concerned or interested in the Resolution mentioned at Item No.5 of the Notice. The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

ITEM NO. 6

The Board of Directors ("the Board"), upon recommendation of the Nomination and Remuneration Committee, appointed Mrs. Seema R. Chordia as Whole-time Director of the Company with effect from October 17, 2017. Pursuant to provisions of Section 196, 197 203 and other applicable provision, if any, read with Schedule V of the companies Act, 2013 and Rules made thereunder and the said appoint is subject to approval of members of the Company in ensuing Annual General meeting, for the period of 5 (five) year with effect from October 17, 2017 to October 16, 2022 on such terms and conditions of her appointment are as follows:

- Salary not exceeding ₹3,00,000/- per month, with such increment as may be decided by the Board of directors scale of 10% to 30%.

Perquisites:

In addition to the above salary, the following perquisites shall also be granted:

- a) Performance Bonus/ Variable payout: Payable at such intervals as may be decided by the Board of Directors.
- b) Perquisites and allowances:
 - i) Medical reimbursement/allowance: as per the rule of the Company.
 - ii) Provision for driver/ driver's salary allowance: as per the rules of the Company.
 - iii) Personal accident insurance: as per the rule of the Company.
- c) Other :
 - i) Earned/ privilege leave: as per the rules of the Company.
 - ii) Encashment of leave: as per the rules of the Company.

The resolution seeks the approval of the members in terms of sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder for appointment Mrs. Seema R. Chordia as a Whole-time Director for a period of 5 (five) year with effect from October 17, 2017.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mrs. Seema R. Chordia to whom the resolution relates is concerned or interested in the Resolution mentioned at Item No.6 of the Notice. The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

REGISTERED OFFICE:

125/127, Daya Mandir, 6th Floor,
Room No. 5 to 10, Mumbadevi,
Mumbai - 400003

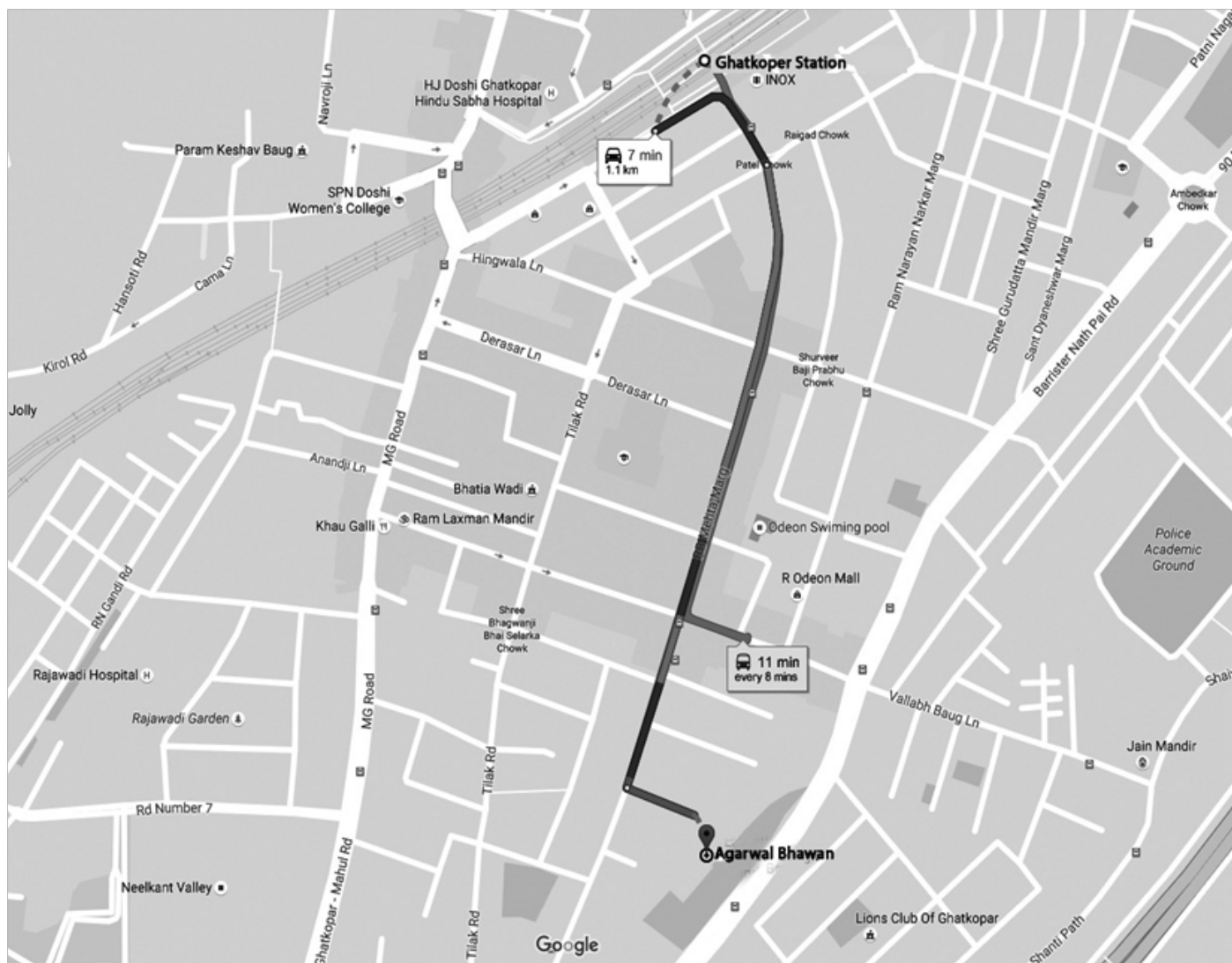
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Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of Director	Age	Nature of expertise	Qualification	Disclosure of relationships between directors inter-se	Membership in the committees of other listed Companies	Shareholding of Director
Mr. Sunny Mahendra Chordia	25	He is expertise in marketing skills especially in overseas market for about more than 2 years.	He holds Master Degree in Global Management from Regents University, London	Mr. Mahendra M. Chordia– (Father) and Mrs. Seema R. Chordia (Uncle's wife)	NIL	NIL
Mrs. Seema R. Chordia	43	She is expertise in Jewellery Marketing for almost 10 years.	She holds a Degree in Bachelor of Commerce.	Mr. Mahendra M. Chordia – (Husband's Brother) and Mr. Sunny M Chordia (Husband's Brother's Son)	NIL	NIL
Mr. Mahendra M. Chordia	50	Experience of over 20 years in the field of Gold and Diamond industry.	He is from Commerce background	Mr. Sunny M Chordia (Son) and Mrs. Seema R. Chordia (Brother's Wife)	NIL	NIL

ROUTE MAP FOR AGM



SWARNSARITA GEMS LTD.

DIRECTORS' REPORT

To,
The Members,
Swarnsarita Gems Limited

Your Directors have pleasure in presenting their 26th Annual Report on the Audited Statement of Accounts for the Financial Year ended March 31, 2018.

1. FINANCIAL RESULTS

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	48509.70	28608.53	48633.85	28661.21
Other Income	472.40	394.52	427.65	356.96
Total Revenue	48982.10	29003.05	49061.50	29018.18
Total Expenses	48338.35	28585.46	48414.99	28595.72
Profit/(Loss) before exceptional and extraordinary items and tax	643.75	417.59	646.50	422.45
Exceptional Items	0.00	0.00	0.00	0.00
Extraordinary Items	0.00	0.00	0.00	0.00
Net Profit Before Tax	643.75	417.59	646.50	422.45
Provision for Tax				
- Current Tax	213	128.84	213	130.35
- Deferred Tax (Liability)/Assets	0.42	0.00	0.42	0.00
- Excess/(short) provision for earlier years	0.56	1.90	(0.47)	2.91
Net Profit After Tax	429.77	286.85	433.55	289.20
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	429.77	286.85	433.55	289.20
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)	429.77	286.85	433.55	289.20
Earnings per equity share (for continuing operation):				
Basic (In ₹)	2.06	1.37	1.39	1.39
Diluted (In ₹)	2.06	1.37	1.39	1.39

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2. REVIEW OF OPERATIONS

Consolidated:

The consolidated total income increased from ₹ 29018.17 Lakhs to ₹ 49061.50 Lakhs, increased of 69.07% over the previous financial year. The Consolidated Net Profit after tax increased from ₹ 289.20 Lakhs to ₹ 433.55 Lakhs, an increase of 49.91% over the previous financial year. The detailed analysis of the consolidated results forms part of the Management Discussion & Analysis Report provided separately as part of the Annual Report.

Standalone:

The Standalone total income increased from ₹ 29003.05 Lakhs to ₹ 48982.10 Lakhs, increase of 68.89 % over the previous financial year. The standalone Profit after tax an increase from ₹ 286.85 Lakhs to ₹ 429.77, an increase of 49.82 % over the previous financial year.

3. COMPANY'S PERFORMANCE AND FUTURE OUTLOOK

Your Company's growth increased during the year under review. The Company's Revenue from operation has increased to ₹ 48509.70 Lakhs (Current Year) from ₹ 28608.53 Lakhs (previous year) which increased by 69.56%. The share of Domestic and Export Sales in the revenue from operations is ₹ 277.78 Crores and ₹ 192.59 Crores respectively.

The Company has taken efforts in marketing areas especially in Overseas Market and also utilizes its own manufacturing facilities and thereby to reduce the overall cost of production which results in economies of scale in the manufacturing facilities.

CONTINUED CHALLENGES:

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 rupee demonetization 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.
- The implementation of central excise and the GST will extremely affect the business model followed by many entities.
- Continued monsoon failures in the past three consecutive years affected the purchasing power of the rural community where from we operate most of our retail outlets.

FUTURE PROSPECTS:

- Due to strict implementation of various Government restrictions imposed on the trade we are able to see a visible shift in the polarization impact of the industry. It is likely to gather momentum in the post GST era in a couple of years. A marked reduction in the cost of funds by way of metal loan augers well for the industry in the long run. It gives comfort as a hedging instrument and also as interest saver.
- In general expanding gross profit margin better stock turnover times improved volume off take and planned reduction in per gram "cost of sale" of gold will collectively contribute to a sustainable growth in both top & bottom line of the company in the years to come.
- Barring unforeseen circumstances the current year 2018-19 would see a decent growth in performance on all fronts.

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4. **DIVIDEND AND RESERVES**

Your Directors do not recommend any dividend for the financial year ended March 31, 2018 in view to conserve the resources of the Company for future expansion programmes.

5. **SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on 31st March, 2018 is ₹ 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.

6. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

At the 25th Annual General Meeting held on September 26, 2017, Mr. Mahendra M. 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. Mahendra M. Chordia (DIN: 00175686), Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 26th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on October 17, 2017 appointed Mr. Sunny Mahendra Chordia and Mrs. Seema Rajendra Chordia as an Additional Director of the Company and subsequently, both were appointed as an Whole-Time Director to hold office for a period of 5 (five) consecutive years subject to approval of the Shareholders at this 26th Annual General Meeting. We seek your support and hope you will enthusiastically vote in confirming their appointment to the Board

Further, Mr. Sunil Jain has resigned from the Directorship of the Company with effect from July 26, 2017. Also Mrs. Asha Mahendra Chordia has resigned from Directorship of the Company with effect from October 17, 2017.

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.	Mahendra M. Chordia	Managing Director
2.	Sunny M. Chordia	Whole-time Director
3.	Seema R. Chordia	Whole-time Director
4.	Sanket Dangi	Chief Financial Officer
5.	Prafulla Devaliya	Company Secretary and Compliance Officer

7. **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;

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- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Further, employees of the Company is paid as per the limits specified under section II of part II of Schedule V to the Companies Act, 2013 due to inadequate profit of the Company during the year.

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

9 BOARD MEETINGS

Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('AGM') of the Shareholders. Additional meetings are held, when necessary.

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.

During the year 12 (Twelve) Board Meetings were held during the year ended 31st March, 2018, the dates which are 29/05/2017, 01/07/2017, 26/07/2017, 14/08/2017, 22/08/2017, 17/10/2017, 31/10/2017, 14/11/2017, 29/01/2018, 14/02/2018, 05/03/2018 and 27/03/2018. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Attendance details of Directors for the year ended March 31, 2018 are given below:

Name of the Director	Category	No. of Board Meetings Attended during the year
Mr. Mahendra M. Chordia	Managing Director	12
*Mr. Sunil G. Jain (Resigned on 26.07.2017)	Executive Director	2
**Mrs. Asha M. Chordia (Resigned on 17/10/2017)	Executive Director	6
***Mr. Sunny M. Chordia (Appointed on 17/10/2017)	Whole Time Director	6
****Mrs. Seema R. Chordia (Appointed on 17/10/2017)	Whole Time Director	7
Mr. Ashok Surana	Non Executive Independent Director	12
Mr. Dhruvin B. Shah	Non-Executive Independent Director	12
Mr. Vishal Nolkha	Non-Executive Independent Director	12

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*Mr. Sunil Jain resigned from directorship of the Company w.e.f. July 26, 2017.

**Mrs. Asha M. Chordia resigned from directorship of the Company w.e.f. October 17, 2017.

***Mr. Sunny M. Chordia Appointed as a Whole time Director w.e.f. October 17, 2017.

****Mrs. Seema R. Chordia Appointed as a Whole time Director w.e.f. October 17, 2017.

10. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 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. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

11. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them.

The Committee met 6 (Six) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

12. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed 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 Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

The Committee met 3 (Three) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

13. 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 annexed to this report as **Annexure III** and is available on our website www.swarnsarita.com.

Details of remuneration paid to Directors and Key Managerial Personnel are given in the Corporate Governance Report along with shareholding in a Company.

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14. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Board has constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressal 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 Committee met 08 (Eight) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

15 DISCUSSIONS WITH INDEPENDENT DIRECTORS

The Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

The policy for Familiarisation Programme for Independent Directors is available on our website www.swarnsarita.com.

16. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at March 31, 2018, your Company had following Subsidiary Company (ies), however, there was no Joint Venture or Associate Company (ies):

Sr. No.	Name of the Company	Category	Date of becoming Subsidiary/ JV/ Associate Company	Date of ceasing as Subsidiary/ JV/ Associate Company
1	Swarnsarita Realty Private Limited	Subsidiary	24/12/2012	NIL

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary company (ies) in Form No. AOC-1 is attached separately as an **Annexure IV** to this report.

17. STATUTORY AUDITORS' AND AUDITORS' REPORT

At the 22nd Annual General Meeting held on September 22, 2014, M/s. Suresh Anchaliya & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in financial year 2019.

Further, members of the Company at the Annual General Meeting ('AGM') held on September 29, 2017, ratify the appointment of M/s. Suresh Anchaliya & Co, Chartered Accountants, as the statutory auditors of the Company for financial year 2017-18.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. However, pursuant to Ordinary Resolution passed at the 22nd AGM, appointment shall subject to ratification at every annual general meeting.

Hence, the Notice convening the ensuing 26th AGM contained a resolution on ratification of appointment of Statutory Auditors. Further, M/s. Suresh Anchaliya & Co, Chartered Accountants, has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and they will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

Auditors Report as issued by M/s. Suresh Anchaliya & Co, Chartered Accountants, Auditors of the Company is self explanatory and need not call for any explanation by your Board.

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18. SECRETARIAL AUDIT

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

19 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, 2018.

20. EMPLOYEES' STOCK OPTION PLAN

The Company has not provided stock options to any employee of the Company.

21. VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.swarnsarita.com. The employees of the Company are made aware of the said policy at the time of joining the Company.

22. 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 annually 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 100 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.

23. EXTRACT OF ANNUAL RETURN

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure VI** and forms part of this Report.

24. DEPOSITS

The Company has not accepted nor renewed any fixed deposits during the FY 2017-2018.

25. LOANS, INVESTMENTS & GUARANTEES

Particulars of loan given, investments made, guarantes 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. 3 & 4 to the standalone financial statement).

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26. 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 VII**.

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.

27. CORPORATE GOVERNANCE REPORT:

We ensure that, we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

Pursuant to the Listing Regulations, the Corporate Governance Report along with the Certificate from a Practicing Chartered Accountants, regarding compliance of conditions of Corporate Governance, is annexed as **Annexure VIII** and forms part of this Report.

28. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report as **Annexure IX** and is incorporated herein by reference and forms an integral part of this report.

29. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

(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) Technology absorption-

(i) The efforts made towards technology absorption;

The Company values innovation and applies it to every facet of its business. This drives development of distinctive new products, ever improving quality standards and more efficient processes.

The Company has augmented its revenues and per unit price realization by deploying innovative marketing strategies and offering exciting new products. The depth of designing capabilities was the core to our success over the years.

The Company uses the service of in-house designers as well as those of freelancers in developing product designs as per the emerging market trends. The Company uses innovation in design as well as in technology to develop new products.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

As a result of the above, the following benefits have been achieved:

- a. Better efficiency in operations,

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- b. Reduced dependence on external sources for technology for developing new products and upgrading existing products,
 - c. Expansion of product range and cost reduction,
 - d. Greater precision,
 - e. Retention of existing customers and expansion of customer base,
 - f. Lower inventory stocks resulting in low carrying costs,
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

The Company has not imported any technology during the year under review.

- (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

The Company has not expended any expenditure towards Research and Development during the year under review.

RESEARCH AND DEVELOPMENT (R&D):

R & D is focused on the development of new products both for export and domestic markets. Due emphasis is placed on improving quality standards with enhanced customer satisfaction. This was primarily achieved through process improvements, control on systems, reduction of waste and energy conservation. Effective use of tools and small group activities with the technological support resulted in controlling the variations in processes, maximizing the productivity and minimizing the cost of production.

1. Specific areas in which R & D carried out by the Company:

- i) Material evaluation/Characterization of raw materials and rough diamonds.
- ii) Planning, cutting and polishing of diamonds and manufacturing of jewellery.
- iii) In house development of advance software for preventing human errors.
- iv) Designing of jewellery and development of new cuts in diamonds.
- v) Waxing, wax setting, casting, filling and polishing of jewellery.
- vii) Capability development for in- house processes, designs and strategic applications of material for product improvement.

Efforts continued in the direction of fine tuning of the jewellery manufacturing and the changes in designs. These resulted in improvements in product performance.

2. Benefits derived as a result of R & D activity:

The R & D activities helped to add new quality products and to achieve greater customer acceptance in the retail market. These activities also enabled the Company to reduce waste, increase productivity, achieve higher “customer satisfaction” and derive following benefits:

- a. Increase product range coupled with technology upgradations and cost reduction;

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- b. Introduction of new products with a focus on achieving global acceptance and in conformity to Indian and International standards;
- c. Improved quality in diamond and jewellery manufacturing;
- d. Increased customer base and additional business volumes;
- e. Reduction in reworks and elimination of manufacturing rejections in jewellery;
- f. Improved finish and lustre of diamonds;
- g. Boosting the capabilities, to offer custom-made jewellery and fetching orders in stiff international competition.

Foreign Exchange Earnings and Outgo:

(Amount in Lakhs)		
Particulars	F.Y 2017-2018	F.Y 2016-2017
C.I.F. Value of Imports	00.00	00.00
F.O.B. Value of Exports	19987.58	12947.19

31. 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. During the year, the Company has to transfer a sum of ₹ 2,21,190 to Investor Education & Protection Fund, the amount which was due and payable and remained unclaimed and unpaid for a period of seven years for the F.Y. 2009 – 10 as provided under the Companies Act, 2013. The said fund transferred to Investor Education and Protection Fund Account on 31.10.2017.

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.

32. CORPORATE SOCIAL RESPONSIBILITY

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

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

In order to prevent sexual harassment of women at work place a new act The Sexual 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

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sexual harassment at work place of any women employee.

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.

33. COST AUDIT

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to our Company.

34. 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.

35. LISTING WITH STOCK EXCHANGE

The shares of the Company are listed on Bombay Stock Exchange Limited (BSE) only. The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed.

36. 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.

37. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

38. 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.

39. 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 Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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ANNEXURE I

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 2017-18:

Sr. No.	Name of the Director	Remuneration of each Director for the F.Y. 2017-18 in (₹)	Ratio of remuneration of each Directors to Median remuneration of employees
1.	Mr. Mahendra M. Chordia	45,00,000.00	24.19:1
2.	Mrs. Asha M. Chordia (Resigned on 17.10.2017)	5,19,483.00	2.79:1
3.	Mr. Sunny M. Chordia (Appointed on 17.10.2017)	21,93,548.00	11.79:1
4.	Mrs. Seema R. Chordia (Appointed on 17.10.2017)	11,00,000.00	5.91:1
5.	Mr. Sunil Jain (Resigned on 26.07.2017)	2,40,000.00	1.29:1

- 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 2017-18.

Name & Designation	Remuneration of each Director & KMP for Financial Year 2017-18 (₹)	% increase/ (decrease) in remuneration in the Financial Year 2017-18
A. Directors		
*Mr. Sunil Jain, ED	2,40,000.00	-
Mr. Ashok Surana, I-NED	-	-
Mr. Vishal R. Nolkha, I-NED	-	-
**Mrs. Asha M. Chordia ED	5,19,483.00	-
Mr. Dhruvin B. Shah I-NED	-	-
B. Key Managerial Personnel		
Mr. Mahendra M. Chordia, MD	45,00,000.00	150
***Mr. Sunny M. Chordia, WTD	21,93,548.00	-
****Mrs. Seema R. Chordia, WTD	11,00,000.00	-
Mr. Sanket Dangi, CFO	10,25,000.00	22.02
Mrs. Prafulla Devaliya CS	3,72,387.00	7.29

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

Notes:

Median remuneration of all the employees of the Company for the financial year 2017-2018 is ₹ 1,86,000.00.

- *Mr. Sunil Jain, Whole Time Director resigned on 26.07.2017.
- **Mrs. Asha M. Chordia, Director resigned on 17.10.2017.
- ***Mr. Sunny M. Chordia, appointed as WTD on 17.10.2017.
- ****Mrs. Seema R. Chordia, appointed as WTD on 17.10.2017.

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iii. The percentage increase in the median remuneration of employees in the financial year 2017-2018

Particulars	Financial Year 2017 - 18 (₹)	Financial Year 2016 - 17 (₹)	Increase (%)
Median remuneration of all employees	1,86,000.00	1,80,000.00	3.33%

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 150 permanent employees on the roll of Company as on March 31, 2018.

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 thereof 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: 6.33%
- Average increase in the remuneration of KMPs: 118.06%

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 Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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ANNEXURE II

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	Remuneration Received [₹] p.a.	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	% of shareholding
Mr. Mahendra Madanlal Chordia	Managing Director	45,00,000.00	Graduate	21 Years	50	07/03/2011	Swarnsarita Jewellers Private Limited	NIL
Mr. Sunny Mahendra Chordia	Whole Time Director & President Overseas Market	40,50,000.00	Master in Global Management	2 Years	25	Employee from 01/04/2016 to 16/10/2017 & Director from 17/10/2017	Swarnsarita Gems Ltd	NIL
Mrs. Seema R Chordia	Whole Time Director	18,00,000.00	HSC	10 Years	43	Employee from 01/07/2017 to 16/10/2017 & Director from 17/10/2017	Swarnsarita Gems Ltd	NIL
Mr. Rajendra M Chordia	V.P. Gold Division	18,00,000.00	Graduate	15 Years	44	01/07/2017	Swarnsarita Jewellers pvt Ltd	NIL
Mrs. Asha M Chordia	Design Research Analyst	16,14,192.00	HSC	9 Years	46	Director up to 16/10/2017 & Employee from 17/10/2017	Swarnsarita Jewellers Private Limited	NIL
Mr. Pankaj Kantilal Kharwad	V.P. Manufacturing Division	12,00,000.00	Graduate	13 Years	41	01/07/2011	NA	NIL
Mr. Lalit S. Chordia	V.P. Diamond Division	12,00,000.00	Graduate	15 years	41	01/10/2012	NA	NIL
Mr. Sanket Dangi	CFO	10,25,000.00	MBA	2 Year	30	05/07/2015	ICICI BANK LTD	NIL
Mr. Vardhman Jain	Marketing Head	9,45,000.00	Graduate	9 Years	37	01/08/2011	NA	NIL
Mr. Prateek Singhvi	Delhi Branch Head	6,00,000.00	Graduate	4 Years	29	01/07/2016	NA	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. Asha M. Chordia (Mother)

For Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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ANNEXURE - III

NOMINATION AND REMUNERATION POLICY

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (“the Board”) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.”

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

“**Act**” shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Board**” means Board of Directors of the Company.

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“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Swarnasarita Gems Limited.

“**Directors**” mean Directors of the Company.

“**Independent Director**” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

“**Policy**” or “This policy” means Nomination and Remuneration Policy.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

“**Senior Management**” Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE:-

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i). Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

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(ii). Term / Tenure

a. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i). General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the

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Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;

- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii). Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii). Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Indian Rupee One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.



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- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:-

- Chairman of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings must be in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

- Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

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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.)

Sl. No.	1
Name of the subsidiary	M/s. Swarnsarita Realty Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
Share capital	1000.00
Reserves & surplus	14.14
Total assets	2136.65
Total Liabilities	2136.65
Investments	0.00
Turnover	124.15
Profit before taxation	2.75
Provision for taxation	-.04
Profit after taxation	2.79
Proposed Dividend	NIL
% of shareholding	100%

For Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

SWARNSARITA GEMS LTD.

ANNEXURE - V

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

[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). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 ('Audit Period') complied with the statutory provisions listed hereunder, subject to specified qualification(s)/observation(s) mentioned below, however, the Company has proper Board-processes and compliance-mechanism in place to the extent, 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);

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- (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.

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 : 25.08.2018

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



SWARNSARITA GEMS LTD.

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 : 25.08.2018

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

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Annexure VI

“EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2018

[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 Shares/Non-govt company
Address of the Registered office and contact details:	125/127, Daya Mandir, 6 th Floor, Room No. 5 to 10, Mumbadevi Mumbai Mumbai City MH 400003 IN
Whether listed company	Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREX DYNAMIC (INDIA) PRIVATE LIMITED ADD.: UNIT NO. 1, LUTHRA INDUSTRIAL PREMISES, ANDHERI KURLA ROAD, SAFED POOL, ANDHERI (EAST), MUMBAI- 400 072. TEL NO.: 022 – 28515606/5644/6338

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Manufacturing of Gold Jewellery	32111	99.04%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a	Swarnsarita Realty Private Limited Office No. 115, Floor-1 st , Plot-21, Panchratna, Mama Parmanad Marg, Opera House, Mumbai Mumbai City Mh 400004	U45400MH2012PTC232896	Subsidiary	100%

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D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). indi-vidual		0				0			0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	8968761	0	8968761	42.960	9357187	0	9357187	44.821	1.861
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
Sub-total (A) (1):-	8968761	0	8968761	42.96	9357187	0	9357187	44.821	1.861
(2). FOREIGN									
(a). Indivi- dual NRI / For Ind			0				0		
(b). Other Individual			0				0		
(c). Bodies Corpo-rates			0				0		
(d). Banks / FII			0				0		
(e). Qualified Foreign Investor			0				0		
(f). Any Other Specify			0				0		
Sub-total (A) (2):-		0	0	0	0	0	0	0	0
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0				0			0.000	
(b). Banks / FI	0				0			0.000	
(c). Central Govt.	0			279333	0	279333	1.338	1.338	
(d). State Govt.	0							0.000	
(e). Venture Capital Funds	0				0			0.000	
(f). Insurance Companies	0				0			0.000	
(g). FIs	0				0			0.000	
(h). Foreign Venture Cap-ital Funds	0				0			0.000	
(i). Others (specify)	0				0			0.000	
Sub-total (B)(1):-	0	0	0	279333	0	279333	1.338	1.338	
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	1270609	2300	1272909	6.097	1511690	2000	1513690	7.251	1.154
(ii). Overseas		0				0			0.000
(b). Individuals									

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Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i) Individual share-holders holding nominal share capital upto Rs.1 lakh	1244689	621225	1865914	8.938	1683245	393925	2077170	9.950	1.012
(ii) Individual share-holders holding nominal share capital in excess of Rs.1 lakh	7851350	0	7851350	37.608	7466904	0	7466904	35.767	-1.841
(c). Other (specify)									
Non Resident Indians	83335	89400	172735	0.827	44097	41800	85897	0.411	-0.416
Overseas Corporate Bodies		0							0
Foreign Nationals	200	0	200	0	200	0	200	0	0
Clearing Members	744931	0	744931	3.568	96419	0	96419	0.462	-3.106
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	11195114	712925	11908039	57.038	10802555	437725	11240280	53.841	-3.197
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11195114	712925	11908039	57.038	11081888	437725	11519613	55.179	-1.859
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	20163875	712925	20876800	100.00	20439075	437725	20876800	100.00	0.00

Shareholding of promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% changes in share holding 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	SWARNSARITA JEWELLERS PVT LTD	8968761	42.96	30	9357187	44.821	30	1.861

SWARNSARITA GEMS LTD.

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			
		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	% of total Shares of the company
1	SWARNSARITA JEWELLERS PVT LTD	8968761	42.96	01-04-2017				
				23-03-2018	150000	Buy	9118761	43.679
	-Closing Balance			31-03-2018	238426	Buy	9357187	44.821

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

Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share holding	Reason	No. Of shares	% of total Shares of the company
1	SHEELA SUNIL KOTHARI	4000	0.019	12-01-2018				
				19-01-2018	64321	Buy	68321	0.327
				26-01-2018	2100	Buy	70421	0.337
				02-02-2018	182150	Buy	252571	1.21
				09-02-2018	118000	Buy	370571	1.775
				16-02-2018	48000	Buy	418571	2.005
				23-02-2018	124700	Buy	543271	2.602
				02-03-2018	70000	Buy	613271	2.938
				09-03-2018	50000	Buy	663271	3.177
	-Closing Balance			31-03-2018			663271	3.177
2	JAGDISH CHANDRA JAJOO	150700	0.722	01-04-2017				
				28-04-2017	333000	Buy	483700	2.317
	-Closing Balance			31-03-2018			483700	2.317
3	GRACE-UNITED REAL ESTATE PRIVATE LIMITED	382478	1.832	01-04-2017				
				14-04-2017	4800	Buy	387278	1.855
				21-04-2017	-4800	Sold	382478	1.832
				05-05-2017	1000	Buy	383478	1.837
				16-06-2017	-500	Sold	382978	1.834
				07-07-2017	-500	Sold	382478	1.832
				30-09-2017	-245	Sold	382233	1.831
	-Closing Balance			31-03-2018			382233	1.831

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Sr. No	Name	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
4	SHIVAJIRAO S JONDALE	351000	1.681	01-04-2017				
				28-04-2017	19855	Buy	370855	1.776
	-Closing Balance			31-03-2018			370855	1.776
5	PIYUSH DILIP NABERA	158423	0.759	16-06-2017				
				30-09-2017	78000	Buy	236423	1.132
	-Closing Balance			31-03-2018	134100	Buy	370523	1.775
6	SPARKLE SECURITIES SOLUTIONS PVT LTD	358974	1.719	01-04-2017				
				07-04-2017	63718	Buy	422692	2.025
				14-04-2017	-93796	Sold	328896	1.575
				21-04-2017	29104	Buy	358000	1.715
				28-04-2017	53300	Buy	411300	1.97
				05-05-2017	44276	Buy	455576	2.182
				12-05-2017	1840	Buy	457416	2.191
				19-05-2017	130222	Buy	587638	2.815
				26-05-2017	-2200	Sold	585438	2.804
				02-06-2017	2900	Buy	588338	2.818
				16-06-2017	-158343	Sold	429995	2.06
				23-06-2017	670	Buy	430665	2.063
				30-06-2017	-17875	Sold	412790	1.977
				07-07-2017	-122290	Sold	290500	1.391
				14-07-2017	33660	Buy	324160	1.553
				21-07-2017	660	Buy	324820	1.556
				28-07-2017	19725	Buy	344545	1.65
				04-08-2017	59915	Buy	404460	1.937
				11-08-2017	350	Buy	404810	1.939
				18-08-2017	749	Buy	405559	1.943
				25-08-2017	54950	Buy	460509	2.206
				01-09-2017	250	Buy	460759	2.207
				08-09-2017	1000	Buy	461759	2.212
				15-09-2017	-158795	Sold	302964	1.451
				22-09-2017	14000	Buy	316964	1.518
				30-09-2017	-116964	Sold	200000	0.958
				13-10-2017	405	Buy	200405	0.96
				20-10-2017	1200	Buy	201605	0.966
				27-10-2017	-1555	Sold	200050	0.958
				03-11-2017	100	Buy	200150	0.959
				10-11-2017	-150	Sold	200000	0.958

SWARNSARITA GEMS LTD.

Sr. No	Name	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
				17-11-2017	50000	Buy	250000	1.198
				24-11-2017	-45800	Sold	204200	0.978
				01-12-2017	-820	Sold	203380	0.974
				08-12-2017	8821	Buy	212201	1.016
				15-12-2017	-5000	Sold	207201	0.992
				22-12-2017	60553	Buy	267754	1.283
				29-12-2017	-62754	Sold	205000	0.982
				05-01-2018	29039	Buy	234039	1.121
				12-01-2018	65461	Buy	299500	1.435
				19-01-2018	-99500	Sold	200000	0.958
				26-01-2018	75000	Buy	275000	1.317
				02-02-2018	25100	Buy	300100	1.437
				09-02-2018	101119	Buy	401219	1.922
				16-02-2018	-111219	Sold	290000	1.389
				23-02-2018	85600	Buy	375600	1.799
				02-03-2018	88400	Buy	464000	2.223
				09-03-2018	87500	Buy	551500	2.642
				16-03-2018	30000	Buy	581500	2.785
				23-03-2018	26350	Buy	607850	2.912
	-Closing Balance			31-03-2018	-251350	Sold	356500	1.708
7	LUXMI KANT GUPTA	306382	1.468	01-04-2017				
				07-04-2017	374	Buy	306756	1.469
				21-04-2017	100	Buy	306856	1.47
				18-08-2017	281	Buy	307137	1.471
				25-08-2017	100	Buy	307237	1.472
				13-10-2017	200	Buy	307437	1.473
	-Closing Balance			31-03-2018			307437	1.473
8	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	279333	1.338	08-12-2017				
	-Closing Balance			31-03-2018		No Change	279333	1.338
9	ANKUR J SHAH	60000	0.287	04-08-2017				
				13-10-2017	154750	Buy	214750	1.029
	-Closing Balance			31-03-2018			214750	1.029

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Sr. No	Name	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
10	KISHANLAL LIKHAMICHAND BOTHRA HUF	208262	0.998	01-04-2017				
	-Closing Balance			31-03-2018		No Change	208262	0.998
11	BALCHAND JAIN	200000	0.958	01-04-2017				
	-Closing Balance			31-03-2018		No Change	200000	0.958
12	SADHANA NABERA	228350	1.094	01-04-2017				
				09-02-2018	-190000	Sold	38350	0.184
	-Closing Balance			31-03-2018	61000	Buy	99350	0.476
13	SPARKLINE MERCANTILE COMPANY PVT. LTD	253164	1.213	01-04-2017				
				21-04-2017	-161593	Sold	91571	0.439
				07-07-2017	123000	Buy	214571	1.028
				15-09-2017	158895	Buy	373466	1.789
				30-09-2017	24964	Buy	398430	1.908
				27-10-2017	-80895	Sold	317535	1.521
				10-11-2017	-32694	Sold	284841	1.364
				17-11-2017	-70000	Sold	214841	1.029
				24-11-2017	-14000	Sold	200841	0.962
				01-12-2017	-15000	Sold	185841	0.89
				08-12-2017	-15921	Sold	169920	0.814
				22-12-2017	-85000	Sold	84920	0.407
				29-12-2017	-20746	Sold	64174	0.307
				05-01-2018	-50000	Sold	14174	0.068
	-Closing Balance			12-01-2018	-14174	Sold	0	0
14	PALLAVI M DESAI	275000	1.317	01-04-2017				
				02-02-2018	-214300	Sold	60700	0.291
				09-02-2018	-25000	Sold	35700	0.171
	-Closing Balance			23-02-2018	-35700	Sold	0	0
15	INDIRA PRIYA DARSHINI MK	226000	1.083	01-04-2017				
				28-04-2017	-35853	Sold	190147	0.911
				05-05-2017	-15000	Sold	175147	0.839
				19-05-2017	-77124	Sold	98023	0.47
				04-08-2017	-48023	Sold	50000	0.24
	-Closing Balance			27-10-2017	-50000	Sold	0	0

SWARNSARITA GEMS LTD.

Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		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	% of total Shares of the company
NOT APPLICABLE'								

INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79,38,34,401.00	0.00	0.00	79,38,34,401.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	79,38,34,401.00	0.00	0.00	79,38,34,401.00
Change in Indebtedness during the financial year				
* Addition	6,21,87,67,302.00	0.00	0.00	6,21,87,67,302.00
* Reduction	5,95,78,01,856.00	0.00	0.00	5,95,78,01,856.00
Net Change	26,09,65,446.00	0.00	0.00	26,09,65,446.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,05,47,99,847.00	0.00	0.00	1,05,47,99,847.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1,05,47,99,847.00	0.00	0.00	1,05,47,99,847.00

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

Sr. no.	Particulars of Remuneration	Name of MD/WTM/ Manager				Total Amount
		Mr. Mahendra M. Chordia (MD)	Mrs. Asha M. Chordia (Director) (Resigned on 17.10.2017)	Mr. Sunny M. Chordia (WTD) (Appointed on 17.10.2017)	Mrs. Seema R. Chordia (WTD) (Appointed on 17.10.2017)	
1	Gross salary	45,00,000.00	5,19,483.00	21,93,548.00	11,00,000.00	61,19,483.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-

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Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Mahendra M. Chordia (MD)	Mrs. Asha M. Chordia (Director) (Resigned on 17.10.2017)	Mr. Sunny M. Chordia (WTD) (Appointed on 17.10.2017)	Mrs. Seema R. Chordia (WTD) (Appointed on 17.10.2017)	
	(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)	45,00,000.00	5,19,483.00	21,93,548.00	11,00,000.00	61,19,483.000
	Ceiling as per the Act in case of Inadequate Profit as per Scd V	84,00,000.00		84,00,000.00	84,00,000.00	

B. Remuneration to other directors:

	Particulars of Remuneration	Name of Directors Manager	Total Amount
1	Independent Directors	NOT APPLICABLE	
	• 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		

SWARNSARITA GEMS LTD.

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

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	PRAFULLA ANIL DEVALIYA Company Secretary	SANKET SUSHIL DANGI -CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961"	-	3,72,387.00	10,25,000.00	13,97,387.00
	(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 - as % of profit - others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	3,72,387.00	10,25,000.00	13,97,387.00

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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Annexure - VII

FORM NO. 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. Sunny M. Chordia (Son of Managing Director)	Mr. Mahendra M. Chordia & Mrs. Asha M. Chordia (Directors itself)	Mr. Mahendra M. Chordia (MD)	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	Remuneration	Rent Agreement renewed for Two Years w.e.f 01.04.2017	Rent	Remuneration	Remuneration	Remuneration
c)	Duration of the contracts/ arrangements/transaction	Till 16/10/2017	2 years	2 years	Not Applicable	Till 16/10/2017	From 18/10/2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 2.50 Lakhs P.M.	₹ 1,00,000/- P.M.	₹ 1,50,000/- P.M.	₹ 2.00 Lakhs P.M.	₹ 2.00 Lakhs P.M.	₹ 2.40 Lakhs
e)	Date of approval by the Board	28.05.2016	29.05.2017	29.01.2018	01.07.2017	01.07.2017	14.11.2017
f)	Amount paid as advances, if any	-	-	-	-	-	-

For Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

SWARNSARITA GEMS LTD.

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	
1. Latest audited Balance Sheet Date	NIL
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 Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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Annexure - IX

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

◆ **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Gem and Jewellery Industry has witnessed a decline of 5.06 per cent with Total Gem & Jewellery exports recorded at USD 40972.36 million (₹ 264130.64 crores) as compared to USD 43,157.11 million (₹ 289207.47 crores) in the same period last year.

The growth in the sector was primarily driven by the Cut & Polished Diamonds (CPD) segment, which witnessed an increase of 4.17 per cent. The export sales of CPD grew to USD 23732.96 million during FY 2017-18 from USD 22,783.85 million in the corresponding period in FY 2016-17, while total volume of CPD were at 348.60 Lakh carats during FY 2017-18 as compared to 322.13 lakh carats in the corresponding period in FY 2016-17.

Gold Jewellery Exports registered a growth of 10.91 per cent with exports recorded at US\$ 9673.23 million in FY 2017-18 as compared to US\$ 8,721.88 million in FY 2016-17.

Colored Gemstones grew by 3.14 per cent to USD 433.31 million in FY 2017-18 as compared to US\$ 420.11 million in FY 2016-17.

Exports of silver jewellery decreased to USD 3385.65 mn (down 15.80 per cent) in F.Y. 2018 as compared to USD 4021.03 mn in F.Y. 2017.

Over the last ten years, the Gems and Jewellery exports from India have doubled to USD 41 bn in F.Y. 2018 At the same period, the Cut & Polished Diamond exports grew at USD 24 bn.

Major Export Destinations for the Gems & Jewellery Sector in F.Y. 2017-18 were Hong Kong with 33% followed by UAE with 25 per cent of exports and USA at 23 per cent.

The imports of rough diamonds grew 10.59 per cent in F.Y. 2018 to USD 18889.01 mn as compared to USD 17080.23 mn in F.Y. 2017. Import of cut and polished diamonds dropped 15.08 per cent to USD 2236.46 mn in F.Y. 2018 as compared to USD 2633.71 mn in F.Y. 2017. Net imports of Gems & Jewellery was up by 9.69 per cent at USD 31516.7 mn in F.Y. 2018 as compared with USD 28733.6 mn in F.Y. 2017.

The U.S. imports 16% of its jewellery from India. At Council we are making concerted efforts to grow the demand for “India Made” Jewellery Products in the established markets such as the U.S., HK and China. Exploring and penetrating new markets such as Iran, Jordan, Turkey, Latin America, Russia and SE Asia is also on the anvil. Focused Buyer Seller Matching Programs are lined up for the year for across product categories to boost demand for Diamonds, gemstones and Jewellery.

GJEPC has urged the union Government to support the Gems & Jewellery sector by providing policy support such as opening up the sector to foreign miners to set up their shops in India and also a reduction in import duty of Gold.

◆ **OPPORTUNITIES AND THREATS**

● **Opportunities**

Entering New Markets :

The sector is exploring new locations to diversify business and to minimize the risk. Russia, Middle East and China are a few of the emerging destinations that are witnessing an increase in jewellery demand. The Indian gems and jewellery players can tap these countries to diversify and increase their business. India's vast, low cost and extremely skilled workforce provides it with a competitive edge over other countries. By moving up the value chain and processing larger stones, India can further increase its value share in total exports.

● **Value Addition:**

There exists a huge opportunity for Indian players to do value addition to the low cost gold and diamonds items and can export such jewellery. India has an advantage of manufacturing affordable gold and diamond jewellery for the world market.

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- **Jewellery Retail:**

The Indian retail sector provides an excellent opportunity for the Indian players to manufacture and sell their jewellery through the retail channels that are fast catching up in the Indian markets.

- **Outsourcing Hub:**

India can become an outsourcing hub for designing and manufacturing jewellery. There is an increased trend of outsourcing designing and manufacturing of jewellery from India by global retail players.

- **Government incentives:**

When the industry was going through a challenging period, governmental regulations related to the reintroduction of bonded warehouse facility for diamond exporters and revision in duty drawback rate facility for Gold jewellery exporters has helped strengthen the industry further. The government has put in significant efforts for accepting recommendations to make India an International Trading hub for rough diamonds. Government recently allowed more banks to import gold thereby increasing availability of raw gold for the manufacturers.

- ◆ **Threats**

- **Unorganized Sector:**

The gems and jewellery sector in India is unorganized and fragmented. Around 90% of the players operate in the unorganized sector mostly in family-run operations. The nature of the sector prevents it from achieving economies of scale.

- **Mitigation:**

Company is engaged in the export of gems and jewellery whereas the unorganised players are in the domestic market only. Overseas importers place the orders based on credentials and the company's promoters being associated in this business for three decades are not affected by such competition.

- **Predominance of the US market**

The Indian gems and jewellery sector is pre-dominantly dependent on the US markets, which is its top export destination. The growth of gems and jewellery sector is heavily dependent on the growth of demand in the US market.

Mitigation: Company is exporting to Middle East market only and is not affected by US market scenario.

- **Exchange Rate/Currency Risk:**

The gems and jewellery sector is affected by the rupee/dollar exchange rate because it is export oriented. Any volatility in the exchange rates affects the margins of the players.

Mitigation: Company would do forward cover for imports and exports and insulates itself from fluctuation in exchange rate.

- **High Level of Inventories:**

As the gems and jewellery sector is highly dependent on imports for its raw materials, the players have to maintain a high level of inventory. However, maintaining this inventory becomes difficult for the players during the slack season, as it carries inventory price risk.

Mitigation: Company does not envisage to hold large inventory and as it is a merchant exporter the purchases would be made based on orders only and for domestic sales it expects to have an inventory turnover of 3 to 5 times and thereby reduce the risk of inventory holding substantially.

- **Artificial Jewellery:**

The sector also faces a challenge in the form of integration of synthetic or man-made diamonds. With the advent of technology, it is difficult to differentiate between natural and artificial jewellery. This may hit the sales of low cost jewellery in the long run.

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Mitigation: There are different classes of people who buy real gold jewellery and artificial jewellery. Artificial items are more use by youngsters and office goers for day to day use whereas the real gold jewellery is used for occasions and as a tool for savings of earnings. Therefore this competition is also small and negligible.

◆ **SEGMENT-WISE OR PRODUCT-WISE PEROFORMANCE**

The Company is engaged in the jewelry business which consists of gold jewelry, diamond jewellery and others. Though gold jewellery continues to be the dominant component, Company is also focusing on diamond as demand for diamond jewellery is increasing every year. The Company is also doing the export of gold jewellery. The major part of company's revenue comes from the domestic business.

During the year 2017-18 there was increase in sales to ₹ 48509.70 Lakhs as compared to 28,608.53 Lakhs in the previous year due to increase in efforts of marketing area.

◆ **OUTLOOK**

According to the World Gold Council (WGC), the demand for gold jewellery in India fell steeply by 22% year-on-year to reach a 7-year low of 522 MT in 2016. The demand was severely impacted due to several events that occurred last year like country-wide strikes by jewellers and the severe cash crunch due to the withdrawal of 500 and 100 rupee notes by the Government.

However F.Y. 2017 saw a growth of around 8 per cent amongst organised retailers. Furthermore, growth rates are expected to reach the double digit trajectory in F.Y.2018 on back of regulatory headwinds fading out and continued favourable demographics. The government hopes the gems and jewellery sector to grow 6-7 per cent per annum and has set at target of \$60 billion exports by 2022 from the present \$43 billion.

Profit margins also improved marginally in F.Y. 2017 and are expected to remain stable over the medium term. Share of national and regional organized jewellery retailers is expected to grow.

The Government of India has permitted 100 per cent FDI under the automatic route in this sector. Furthermore, there is zero duty in terms of rough diamond procurement. The GST was also in favour of gems & Jewellery industry with a 3% levy on gold, gold jewellery, silver jewellery and processed diamonds and 0.25 per cent on rough diamonds. Government has also encouraged establishment of Gems and Jewelry SEZs, etc.

The Foreign Trade Policy (FTP) that will be in effect for the next five year term, 2015 to 2020 aims at supporting services and exports and would boost the "Make in India" initiative. The policy provides the impetus to boost exports and offers a critical regulatory framework for the proposed Special Notified Zone (SNZ). The gold monetization scheme has been established in November 2015. The scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

Ahmedabad, Amreli, Visanagar and Palanpur are setting up common facility centres (CFCs), to provide access to a common pool of state-of-the-art machinery and equipment at a cheaper rate to small and medium diamond manufacturers.

A jewellery park worth ₹50 crore (US\$ 7.8 million) is to be set up in Mumbai by the Government of India where local handmade workers and factories will be relocated to develop their trade, improve their work environment and standard of living.

◆ **RISK AND CONCERNS:**

Like any other business, the gems and jewellery business also has its own set of challenges and risks, emanating from internal and external sources. The Company has in place a comprehensive risk management policy that helps anticipate and identify risks wide finding ways to mitigate them.

Economy risk: Jewellery purchases are discretionary and may be affected by adverse economic trends.

Competition risk: The Company's market share may be affected by an increase in the number of branded jewellers.

Price volatility risk: Volatility in the market price of gold and diamonds has a bearing on the value of our inventory and could affect our income, profitability and scale of operations.

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◆ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective.

◆ **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The details of the financial performance of the Company are reflected in the Balance Sheet, Profit and Loss Account and other Statements, appearing separately.

The salient parameters of the financial performance of the Company during the year under review are as under:

(₹ in Lakhs)

Particulars	2017-18
Gross Income	48,982.10
Profit/ (Loss) before tax and Exceptional items	643.75
Less: Exceptional items	0.00
Profit/ (Loss) before tax	643.75
Less: Provision for tax	213.98
Profit/ Loss after tax	429.77

◆ **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company acknowledges that its major asset is its employees. The expertise of the management team, the professional training provided to the staff, their personal commitment and their spirit of teamwork together enhance the Company's net worth. The Company has taken various steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels.

Ongoing in-house and external training is provided to employees at all levels to update their knowledge and upgrade their skills and abilities. The effort to rationalize and streamline the workforce is a continuous process. As on March 31, 2018, the Company had 150 full-time employees. The industrial relations scenario remained harmonious throughout the year.

◆ **CAUTIONARY STATEMENT**

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

For Swarnsarita Gems Limited

Place: Mumbai
Date: 25.08.2018

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M. Chordia
Whole-time Director
DIN: 06664041

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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

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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, 2018, the Board comprised of 6 (Six) Directors of which 3 (Three) are Non-Executive Independent Directors and 3 (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 2017-2018, 12 (Twelve) Board Meetings were held on 29/05/2017, 01/07/2017, 26/07/2017, 14/08/2017, 22/08/2017, 17/10/2017, 31/10/2017, 14/11/2017, 29/01/2018, 14/02/2018, 05/03/2018 and 27/03/2018 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, 2017, 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, 2018	Attendance at previous AGM Held on 26.09.2017 (Y-Yes, N-No)	Directorship in other Companies (Including Private Companies)		Committee Membership(s) of other Companies	
					Listed	Private	Chairmanship	Membership
Mr. Mahendra M. Chordia	Managing Director	12	NIL	Yes	NIL	2	NIL	NIL
Mr. Sunil G. Jain (Resigned on 26.07.2017)	Executive Director	2	NIL	NA	NIL	NIL	NIL	NIL
Mrs. Asha M. Chordia (Resigned on 17/10/2017)	Executive Director	6	NIL	Yes	NIL	NIL	NIL	NIL
Mr. Sunny M. Chordia (Appointed on 17/10/2017)	Whole Time Director	6	NIL	NA	NIL	1	NIL	NIL
Mrs. Seema R. Chordia (Appointed on 17/10/2017)	Whole Time Director	7	NIL	NA	NIL	NIL	NIL	NIL
Mr. Ashok Surana	Non Executive Independent Director	12	NIL	No	NIL	1	NIL	NIL
Mr. Dhruvin B. Shah	Non Executive Independent Director	12	NIL	Yes	NIL	NIL	NIL	NIL
Mr. Vishal Nolkha	Non-Executive Independent Director	12	NIL	No	NIL	NIL	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.

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5. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (www.swarnsarita.com)
6. During the year 2017-18, one meeting of the Independent Directors was held on March 10, 2018. 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.
9. None of the Directors or KMPs hold any shares in the company as shown in the above table.

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 includes:

- 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, 2018, which are as follows:

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
Audit Committee	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.	Name	Category	<ul style="list-style-type: none"> During the Financial Year 2017-18, 6 (Six) meetings of the Audit Committee were held on 01/04/2017, 29/05/2017, 01/07/2017, 14/08/2017, 14/11/2017 and 14/02/2018. 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.
	<ul style="list-style-type: none"> Oversight of financial reporting process 	Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	
	<ul style="list-style-type: none"> Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval 	Mr. Ashok Surana (Member)	Independent, Non-Executive	
	<ul style="list-style-type: none"> Evaluation of internal financial controls and risk management systems. 	Mr. Vishal Nolkha (Member)	Independent, Non-Executive	
	<ul style="list-style-type: none"> Recommendation for appointment, remuneration and terms of appointment of auditors of the Company 			
	<ul style="list-style-type: none"> Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same 			

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Nomination and Remuneration Committee	<p>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.</p> <ul style="list-style-type: none"> 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	Category	<ul style="list-style-type: none"> During the Financial Year 2017-18, 3 (Three) meetings of the Nomination and Remuneration Committee were held on 22/08/2017, 17/10/2017 and 14/02/2018. 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	
		Mr. Ashok Surana (Member)	Independent, Non-Executive	
		Mr. Vishal Nolkha (Member)	Independent, Non-Executive	

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Stakeholders Relationship Committee	<ul style="list-style-type: none"> 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	Category	<ul style="list-style-type: none"> During the Financial Year 2017-18, 8 (Eight) Meeting of the Stakeholders Relationship Committee was held on 29/05/2017, 15/06/2017, 31/07/2017, 28/08/2017, 15/09/2017, 17/10/2017, 01/01/2018 and 22/01/2018. Details of Investor complaints and Compliance Officer are given below this table
	<ul style="list-style-type: none"> Consider and resolve the grievances of security holders. 	Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	
	<ul style="list-style-type: none"> Consider and approve issue of share certificates, transfer and transmission of securities, non-receipt of Annual Report, issue of Duplicate shares certificate etc. 	Mr. Ashok Surana (Member)	Independent, Non-Executive	
		Mr. Vishal Nolkha (Member)	Independent, Non-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

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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 is 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 behaviour and judgement.

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, 2018:

(₹ in Lakhs)

Name of Managing Director	Remuneration for FY 2017-18	Benefits, Perquisites and Allowances	Commission	ESPS	Total
Mr. Mahendra Madanlal Chordia	45.00 Lakhs	NIL	NIL	NIL	45.00 Lakhs

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, 2018 are as under:

(₹ in Lakhs)

Name of Executive Director	Remuneration during FY 2017-18	Benefits, Perquisites and Allowances	Commission	ESPS	Total
Mrs. Asha Mahendra Chordia (Executive Director) (Resigned w.e.f. 17/10/2017)	5.19 Lakhs	NIL	NIL	NIL	5.19 Lakhs
Mr. Sunny M. Chordia (Whole Time Director) (Appointed on 17/10/2017)	21.93 Lakhs	NIL	NIL	NIL	21.93 Lakhs
Mrs. Seema R. Chordia (Whole Time Director) (Appointed on 17/10/2017)	11.00 Lakhs	NIL	NIL	NIL	11.00 Lakhs

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❖ **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.

08 (Eight) meetings of the Committee were held during the year 2017-18 29/05/2017, 15/06/2017, 31/07/2017, 28/08/2017, 15/09/2017, 17/10/2017, 01/01/2018 and 22/01/2018. The details of composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Dhruvin B. Shah	Chairman, Independent Director	08
Mr. Ashok Surana	Member, Independent Director	08
Mr. Vishal Nolkha	Member, Independent Director	08

The details of complaints received and resolved during the Financial Year ended March 31, 2018 are given in the Table below. The complaints relate to non-receipt of annual report, dividend, share transfers, other investor grievances, etc.

Details of complaints received and resolved during the Financial Year 2017-18:

Particulars	Number of Compliant
Opening as on April 1, 2017	-
Received during the year	-
Resolved during the year	-
Closing as on March 31, 2018	-

❖ **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

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❖ 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. Related Party Transactions

The transactions with related parties as per Ind AS are set out in Notes to accounts under **Note no. 23** 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

ii. 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.

iii. 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 2017-18.

iv. 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.

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- 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.

v. 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.

vi. 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

vii. 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.

viii. Subsidiary Companies

As on March 31, 2018, the Company has 1 (One) wholly owned unlisted Indian subsidiary company.

ix. 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.

x. Sexual Harassment Policy

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints

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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.

xi. Management Discussion and Analysis Report

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

xii. 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.

xiii. 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.

xiv. Mandatory Requirements of Regulation 27

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

xv. Non-Mandatory Requirements

The Company has adopted the following non-mandatory requirements as prescribed in SEBI (Prohibition of Insider Trading) Regulations, 2015:

a) Shareholders' Rights

The Company follows a practice of physically dispatch through Registered Post the Annual Financial Statements to all shareholders, at their registered addresses maintained with the RTA. The financial results of the Company are normally published in English (Business Standard-all Edition) and Tarun Bharat in Marathi newspapers having wide circulation and/or Mumbai Lakshadeep in Marathi.

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, 2018.

❖ GENERAL BODY MEETINGS

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

Financial Year	Date of the AGM	Location	Time	Special Resolution passed
2014-2015	23 rd September, 2015	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M	3
2015-2016	22 nd September, 2016	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	5
2016-2017	26 th September, 2017	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	3

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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 Business Standard-All Edition (English) and Tarun Bharat (Marathi) and/or in Mumbai Lakshdeep in Marathi 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	Wednesday
Date	26 th September, 2018
Time	10.00 a.m.
Venue	Maharaja Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai – 400077.

ii. Financial year

April 01 to March 31

Financial Calendar (Tentative) – Financial Year 2018-2019

1 st Quarter	First/Second Week of August, 2018
2 nd Quarter	First/Second Week of November, 2018
3 rd Quarter	First/Second Week of February, 2018
4 th Quarter	Third/fourth Week of May, 2019

iii. Dates of Book Closure (both days inclusive)

Wednesday, September 19, 2018 to Wednesday, September 26, 2018.

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 2017-2018.

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 2018-2019 were paid by the Company to BSE in time.

vi. Custodian Fees to Depositories

The Company has paid fees for year ended 2018-2019 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

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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 ₹)	Low(In ₹)	No. of Shares
2017	April	26.65	21.20	7,68,110
	May	27.00	16.50	4,53,580
	June	19.90	17.35	39,246
	July	19.70	16.70	1,66,344
	August	20.85	15.40	1,71,714
	September	18.95	15.45	1,01,372
	October	20.20	16.05	3,31,102
	November	21.70	16.20	5,76,262
	December	23.95	17.60	4,81,707
2018	January	24.75	19.00	16,36,344
	February	23.00	17.00	22,25,080
	March	20.70	15.20	16,57,312

viii. Registrar & Transfer Agent

Sharex Dynamic (India) Private Limited

Luthra Indus. Estate, 1st Floor,
Safed Pool, Andheri-Kurla Road,
Mumbai: 400 072.

Tel. Nos.: 022-28515606, 28515644

Fax No. : 022-228512885

Web Site: www.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.

X. Distribution of shareholding as on March 31, 2018

Share Holding(Nominal Value) ₹	Shareholders		Nominal Capital	
	No.	%	No.	%
Upto 5,000	5763	87.81	75,83,920	3.63
5,001-10,000	323	4.92	26,89,140	1.29
10,001-20,000	174	2.65	27,92,470	1.34
20,001-30,000	63	0.96	16,59,290	0.79
30,001-40,000	27	0.41	9,49,590	0.45
40,001-50,000	32	0.49	15,19,410	0.73
50,001-1,00,000	71	1.08	51,86,630	2.48

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100,001 and above	110	1.68	18,63,87,550	89.28
TOTAL	6563	100.00	20,87,68,000	100.00

xi. Shareholding Pattern as on 31st March, 2018.

Category	No. of Shares held	% of holding
Promoters	93,57,187	44.82
Financial Institutions, Insurance Companies, Banks and Mutual Funds, etc.	0.00	0.00
Foreign Institutional Investors	0.00	0.00
Bodies Corporate	1513690	7.25
NRIs / OCBs	86097	0.41
Indian Public	9544074	45.72
Clearing Members	96419	0.462
IEPF	279333	1.34
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, 2018

	No. of Share Capital	% to Total Share Capital
Dematerialized Form		
NSDL	5146705	24.65
CDSL	15292370	73.25
Physical Form	437725	02.10
Total	20876800	100.00

xiii. Address for Correspondence

Swarnsarita Gems Limited
Room No.5 to 10,6th Floor,
Dayamandir,125/127,
Mumbadevi Road,
Mumbai-400003
Tel. no.: 022-43590000
Fax. No.: 022-43590001
Email id: info@swarnsarita.com
Website: www.swarnsarita.com

Place : Mumbai
Dated : 25.08.2018

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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

Swarnsarita Gems Limited

We, M/s. Suresh Anchaliya & Co. Chartered Accountants, the Statutory Auditors of Swarnsarita Gems Limited ("the company") have examined the compliance of the conditions of Corporate Governance by Swarnsarita Gems Limited having its Registered Office at Room No.5 to 10, 6th Floor, Dayamandir, 125/127, Mumbadevi Road, Mumbai-400003, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), 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 the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.

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.

For: M/s. Suresh Anchaliya & Co.

Suresh Anchaliya

Partner

Membership No.: 044960

Place: Mumbai

Date : 25.08.2018

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CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) as stipulated in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as entered with the BSE, we hereby certify as under:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 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 valued 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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sanket Dangi
CFO

Place: Mumbai
Date: 25.08.2018

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DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as stipulated under Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mahendra M. Chordia
Managing Director
DIN: 00175686

Place: Mumbai
Date: 25.08.2018

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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS
SWARNSARITA GEMS LIMITED

Report on Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SWARNSARITA GEMS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the cash flow statement and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and change in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its Profit and its cash flows and the change in equity for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "**Annexure A**" a statements on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 on its financial position in its financial statements.
 - ii. The Company does not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 have not been made since the requirement does not pertain to financial year ended 31st March, 2018.

Date : 29.05.2018

Place: Mumbai

**For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No. :112492W
Suresh Anchaliya
Partner
M.No. : 044960**

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“Annexure A” to the Independent Auditors’ Report

The annexure referred to Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2018, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year in a phased periodical manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The physical verification of the inventories has been verified by the management at regular intervals during the year and no material discrepancies were noticed.
- (iii) During the year the company has granted unsecured loan of Rs 33.26 lakhs to its wholly owned subsidiary company “Swarnsarita Realty Private Limited” which is the only party covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (a) In our opinion, the rate of interest and other term and conditions on which the loans had been granted to the body corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
- (b) The loan granted to the wholly owned subsidiary company “Swarnsarita Realty Private Limited” listed in the registered maintained under section 189 of the Act and the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.
- (c) As the loan granted to wholly owned subsidiary company “Swarnsarita Realty Private Limited” is repayable on demand and hence there is no overdue amount.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public.
- (vi) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given by the management and based on our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund. Income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of employees state insurance and duty of excise.

According to information and explanations given to us, no undisputed amounts payable in respect of provident funds, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrear as at 31st March 2018 for a period of more than six months from the date they become payable.
- (b) According to information and explanations given to us, there are no material dues of taxes which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, government and banks.

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- (ix) The company did not raise moneys by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, paragraph 3 (ix) is not applicable.
- (x) According to information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management and based on our examination of the records, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given by the management and based on our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3 (xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Date : 29.05.2018
Place: Mumbai

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No. :112492W
Suresh Anchaliya
Partner
M.No. : 044960

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“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Swarnsarita Gems limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Swarnsarita Gems Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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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, 2018, based on internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant on India ('ICAI').

Date : 29.05.2018

Place: Mumbai

**For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No. :112492W
Suresh Anchaliya
Partner
M.No. : 044960**

SWARNSARITA GEMS LTD.

(in ₹ lakhs)

Balance Sheet as at	Note	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	147.29	153.82
Intangible Assets	2	0.36	0.36
Financial Assets			
Investments	3	1000.00	1001.82
Loans and Advances	4	1071.54	1249.82
Tax Assets (Net)	6	671.32	277.65
Other Non-Current Assets	7	24.73	6.07
Total Non-Current Assets		2915.23	2689.54
Current Assets			
Inventories	8	7785.56	7615.49
Financial Assets			
Investments	3	5.18	319.02
Trade Receivables	9	5208.19	4371.70
Cash and Cash Equivalents	10	4498.11	2019.17
Other Current Assets	7	22.39	31.98
Total Current Assets		17519.44	14357.36
Total Assets		20434.67	17046.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2083.76	2083.76
Other Equity		6784.45	6354.68
Total Equity		8868.21	8438.44
Liabilities			
Non -Current Liabilities			
Deferred Tax Liabilities	5	2.67	2.11
Total Non-Current Liabilities		2.67	2.11
Current liabilities			
Financial liabilities			
Borrowings	12	10547.99	7938.34
Trade payable	13	254.73	346.24
Other financial liabilities	14	537.68	176.38
Other Current Liabilities	15	10.40	9.38
Current Tax Liabilities (Net)	16	213.00	136.00
Total Current Liabilities		11563.80	8606.34
Total Equity and Liabilities		20434.67	17046.90

As per our report of even date

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

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
DIN: 06664041

Prafulla Devaliya
Company
Secretary

Dhruvin Bharat Shah
Director
DIN: 07528387

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai
Date: May 29, 2018

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(in ₹ lakhs)

in Rs. lakhs, except equity share and per equity share data

Statement of Profit and loss for the period ended on	Note	Year Ended 31 March 2018	Year Ended 31 March 2017
Revenue from operation	17	48509.70	28608.53
Other Income	18	472.40	394.52
Total Income		48982.10	29003.05
Expenses			
Cost of material consumed	19	48246.09	28098.89
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	20	(1132.77)	(636.27)
Employee Benefit Expenses	21	454.90	380.43
Financial Costs	22	416.08	443.76
Depreciation and Amortization Expenses		18.79	18.78
Other Expenses	23	335.26	279.88
Total Expenses		48338.35	28585.46
Profit before tax		643.75	417.59
Tax Expense			
Current Tax		213.00	128.84
Tax for Earlier Year		0.42	0.00
Deferred Tax		0.56	1.90
Profit for the period		429.77	286.85
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		0.00	0.00
(B) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Total other comprehensive Income		0.00	0.00
Total Comprehensive Income for the period		429.77	286.85
Earning per equity share			
Basic		2.06	1.37
Diluted		2.06	1.37

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 Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
DIN: 06664041

Prafulla Devaliya
Company
Secretary

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Director
DIN: 07528387

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Membership No. 044960

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Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai

Date: May 29, 2018

SWARNSARITA GEMS LTD.

Statement of Change in Equity

(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, 2016	2083.76	67.50	1368.10	49.46	4582.77	0.00	8151.59
Increase in share capital	0.00	0.00	0.00	0.00	0.00	0.00	0
Profit for the period	0.00	0.00	0.00	0.00	286.85	0.00	286.85
Balance as of March 31, 2017	2083.76	67.50	1368.10	49.46	4869.62	0.00	8438.44

(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, 2017	2083.76	67.50	1368.10	49.46	4869.62	0.00	8438.44
Increase in share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	0.00	0.00	429.77	0.00	429.77
Balance as of March 31, 2018	2083.76	67.50	1368.10	49.46	5299.39	0.00	8868.21

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 Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
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Director
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Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai

Date: May 29, 2018

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(in ₹ lakhs)

Statement of Cash Flow for the year ended	2018	2017
NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	643.75	417.59
Adjustment for :		
Depreciation	18.79	18.78
Gain/Loss on Investments	(5.06)	(6.17)
Interest Expenses (Net)	189.83	164.23
Operating Profit Before Working Capital Changes	847.30	594.43
Net Change in		
Inventories	(170.07)	(1,991.25)
Trade Receivables	(836.49)	365.63
Loans	178.28	(118.37)
Other Assets	(402.74)	2.39
Trade and other payable	(91.51)	(607.34)
Other financial liabilities	361.30	136.05
Other Liabilities	78.58	7.07
Cash Generated From Operations	(35.36)	(1,611.39)
Income Tax Paid	(213.98)	(129.29)
Net Cash From Operating Activities	(249.35)	(1,740.68)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(12.25)	(13.48)
Purchase of Investments (net)	(5.00)	(260)
Proceeds from disposal/redemption of investments	323.90	29.68
Interest received	226.25	279.53
Investment in Partnership Firm	-	505.46
Proceeds from retirement of Partnership Firm	1.82	-
Net Cash Used In Investment Activities	534.73	541.18
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	2,609.65	451.23
Interest paid	(416.08)	(443.76)
Net Cash Used In Financing Activities	2,193.57	7.47
Net change in cash and cash equivalents	2,478.94	(1,192.03)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	2,019.17	3,211.20
Cash And Cash Equivalents As At The End of the Year	4,498.11	2,019.17
Net Increase / (Decrease) As Disclosed Above	2,478.94	(1,192.03)
Note : All figures in brackets are outflows		

As per our report of even date

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

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
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Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai

Date: May 29, 2018

SWARNSARITA GEMS LTD.

Notes to Financial Statement for the Year Ended 31st March, 2018

1. Property plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2018

(in ₹ lakhs)

Name of Assets	Cost				Depreciation			Carring Value	
	As On 01.04. 2017	Addition during the year	Deduction/ Written off During the Year	As On 31.03. 2018	As On 01.04. 2017	Depreciation during the year	Total As On 31.03. 2018	As On 31.03. 2018	As On 01.04. 2017
Mettler Balances	6.78	0.00	0.00	6.78	4.15	0.88	5.03	1.75	2.63
Motor Cars	89.44	0.00	0.00	89.44	55.10	6.36	61.46	27.98	34.33
Office Equipments	14.67	4.06	0.00	18.72	6.08	2.90	8.98	9.74	8.59
Computers	14.64	0.48	0.00	15.11	10.43	3.50	13.93	1.18	4.21
Furniture & Fixtures	12.98	7.72	0.00	20.70	2.36	1.28	3.64	17.06	10.61
Plant & Machinery	45.84	0.00	0.00	45.84	4.56	3.01	7.57	38.26	41.28
Office Building	53.52	0.00	0.00	53.52	1.36	0.85	2.21	51.31	52.17
Total	237.86	12.25	0.00	250.11	84.04	18.79	102.82	147.29	153.82

Following are the changes in the carrying value of property, plant and equipment for the Year ended 31st March, 2017

(in ₹ lakhs)

Name of Assets	Gross Carrying Value				Depreciation			Carring Value	
	As On 01.04. 2016	Addition during the year	Deduction/ Written off During the Year	As On 31.03. 2017	As On 01.04. 2016	Depreciation during the year	Total As On 31.03. 2017	As On 31.03. 2017	As On 01.04. 2016
Mettler Balances	6.41	0.37	0.00	6.78	3.28	0.87	4.15	2.63	3.14
Motor Cars	77.81	11.63	0.00	89.44	49.59	5.51	55.10	34.33	28.22
Office Equipments	13.93	0.74	0.00	14.67	3.25	2.83	6.08	8.59	10.68
Computers	14.51	0.13	0.00	14.64	5.96	4.47	10.43	4.21	8.55
Furniture & Fixtures	12.98	0.00	0.00	12.98	1.12	1.24	2.36	10.61	11.86
Plant & Machinery	45.22	0.62	0.00	45.84	1.56	3.00	4.56	41.28	43.66
Office Building	53.52	0.00	0.00	53.52	0.50	0.85	1.36	52.17	53.02
Total	224.38	13.48	0.00	237.86	65.26	18.78	84.04	153.82	159.12

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2. Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2018

(in ₹ lakhs)

	Cost				Depreciation			Carring Value	
Name of Assets	As On 01.04.2017	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2018	As On 01.04.2017	Depreciation during the year	Total As On 31.03.2018	As On 31.03.2018	As On 01.04.2017
Trademark	0.36	0	0	0	0	0	0	0.36	0.36
Total	0.36	0	0	0	0	0	0	0.36	0.36

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2017

(in ₹ lakhs)

	Cost				Depreciation			Carring Value	
Name of Assets	As On 01.04.2016	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2017	As On 01.04.2016	Depreciation during the year	Total As On 31.03.2017	As On 31.03.2017	As On 01.04.2016
Trademark	0.36	0		0	0	0	0	0.36	0.36
Total	0.36	0	0	0	0	0	0	0.36	0.36

3. Investments

Particulars	As at 31.03.2018	As at 31.03.2017
Non-current investments		
Unquoted Investment carried at cost		
Investment in wholly owned subsidiary Swarnsarita Realty Pvt Ltd	1000.00	1000.00
10000000 (10000000) equity shares of Rs. 10 each, fully paid up		
Investment in partnership firm Swarnsarita Gold and Diamonds	0.00	1.82
	1000.00	1001.82

Total Capital of the partnership firm Swarnsarita Gold and Diamonds

Details of partners and their Share in profit and loss and Share in Capital

Name of Partner	Profit sharing ratio as at		Closing capital as at
	upto 15 th November, 2016 (retirement date)		31.03. 2017
Lalit Shankalal Chordia	10%	0.52	0.05
Swarnsarita Gems Limited *	35%	1.82	1.82
Manoj Jasraj Golecha	8%	0.41	-2.95
Shweta Anuj Golecha	22%	1.14	0.60
Jasraj Jain	15%	0.78	3.58
Saloni Singhvi	10%	0.52	2.59

* Swarnsarita Gems Limited has resigned from the Swarnsarita gold and diamonds on 15th November, 2016

SWARNSARITA GEMS LTD.

Particulars	As at 31.03.2018	As at 31.03.2017
Current investments		
Investment Carried at fair value through profit and loss account (FVTPL)		
Liquid mutual fund units		
Union KBC Mutual Fund	5.12	318.90
Equity investments		
SJ Corporation Limited of Rs. 1 each	0.06	0.12
400 Equity shares of Rs. 1 each, fully paid up		
	5.18	319.02
Total carrying Value	1005.18	1320.84
4. Loans		
Non - Current		
Unsecured, considered good		
Loan to related parties		
Wholly Owned subsidiary Swarnsarita Realty Private Limited	1051.82	1231.82
Others		
Nilkanth jewellers	19.72	18.00
	1071.54	1249.82
5. Deffered tax assets (Liabilities)		
Property plant and equipment		
	2.67	2.11
	2.67	2.11
6. Tax assets (Net)		
Income tax assets	130.21	145.70
Indirect tax assets	541.10	131.95
	671.32	277.65

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Particulars	As at 31.03.2018	As at 31.03.2017
7. Other assets		
1. Non-current		
Advances other than capital advances		
Security Deposit	24.73	6.07
	24.73	6.07
2. Current		
Capital Advances		
Advance for purchase of machinery	0.00	0.00
Advances other than capital advances		
Other advances		
Advance to supplier	19.33	23.37
Prepaid expenses	3.06	8.61
Job work charges receivables	0.00	0.00
	22.39	31.98
Total other assets	47.12	38.05
8. Inventories		
Raw Materials	2078.42	3041.12
Finished Goods	5707.14	4574.37
	7785.56	7615.49
9. Trade receivables		
Unsecured		
Considered good	5208.19	4371.70
Considered doubtful	0.00	0.00
	5208.19	4371.70
10. Cash and cash equivalents		
Balances with banks		
Cash on hand	3.14	0.37
In current accounts	2151.47	11.89
Fixed Deposits	2343.50	2006.91
	4498.11	2019.17

SWARNSARITA GEMS LTD.

11. Equity share capital

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised Share: 2,20,00,000 Equity Shares of Rs. 10/- each	2200.00	2200.00
Issued, Subscribed and Paid up: 2,08,76,800 Equity Shares of Rs. 10/- each Fully Paid-Up	2087.68	2087.68
Less : Call Money Due on Equity Shares	(3.92)	(3.92)
Total	2083.76	2083.76

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

Particulars	As at 31.03.2018 No. of Shares	As at 31.03.2017 No. of Shares
Outstanding at the Beginning of the Reporting Year	20876800	20876800
Add: Issued During the year	0	0
Outstanding at the End of the Reporting Year	20876800	20876800

Terms / Right Attached to Equity Shares

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 31 st March, 2018		As at 31 st March, 2017	% of Holding
		No. of Shares	% of Holding	No. of Shares	
1	Swarnsarita Jewellers Pvt. Ltd.	93,57,187	44.82	89,68,761	42.96

12. Borrowing

(in ₹ lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current		
Secured, loans repayable on demand		
From Banks		
Union Bank of India (CC A/c) 1	126.46	117.23
The Bank of Nova Scotia 2	1833.16	1678.76
Union Bank of India (Gold Loan)1	6613.78	6142.35
Yes Bank CC Account 3	1974.58	0.00
	10547.99	7938.34

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- 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 Gold loan facility from the Bank of Nova Scotia is secured by Stand by Letter of Credit (SBLC) issued by Kotak Mahindra Bank.
- 3 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, First Pari Passu Charge on all the present and future current assets and movable fixed assets, personal guarantee of directors of the company.

13. Trade payable

Particulars	As at 31.03.2018	As at 31.03.2017
Current		
Trade Payable	254.73	346.24
	254.73	346.24

14. Other financial liabilities

Current		
Expenses payables	467.27	173.61
Advance received from customer	70.40	2.77
	537.68	176.38

15. Other liabilities

Current		
Statutory taxes payable	10.40	9.38
	10.40	9.38

16. Current tax liabilities

Income tax liabilities	213.00	136.00
	213.00	136.00

17. Revenue from operation

	(₹ in lakhs)	
Particulars	31 March 2018	31 March 2017
Sale of Goods	47,036.89	27,288.76
Labour Charges Received	1,472.81	1,319.77
	48,509.70	28,608.53

SWARNSARITA GEMS LTD.

	(₹ in lakhs)	
Particulars	31 March 2018	31 March 2017
18. Other Income		
Interest Income	226.25	279.53
Exchange difference	241.08	106.40
Income/(Loss) from Partnership Firm	-	1.82
Certification charges received	-	0.61
Gain/Loss on valuation of Shares and mutual fund at fair value	5.06	6.17
	472.40	394.52
19. Cost of material consumed		
Purchase of Goods	46,452.79	28,731.20
Labour Charges & Other Charges	830.60	589.72
Excise Duty	-	132.95
<u>Add:- Opening Stock</u>		
Raw Material	3,041.12	1,686.13
<u>Less:- Closing Stock</u>		
Raw Material	2,078.42	3,041.12
Raw Material Consumed	48,246.09	28,098.89
20. Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progres		
Opening Balance of Inventory	4,574.37	3,938.10
Less: Closing Balance of Inventory	5,707.14	4,574.37
	(1,132.77)	(636.27)
21. Employee benefit expenses		
Salaries and Wages ¹	446.05	364.74
Staff Welfare Expenses	8.85	15.69
	454.90	380.43
¹ Salaries and wages includes director remuneration of Rs. 85.57 Lakhs.		
22. Finance Costs		
Interest Expenses	416.08	443.76
	416.08	443.76

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23. Other Expenses

Particulars	(₹ in lakhs)	
	31 March 2018	31 March 2017
Advertising Expenses	1.05	0.86
Auditor Remuneration	3.80	4.62
Bad Debt	13.71	16.35
Brokerage and Commission	2.50	0.00
Certification Charges	24.35	13.61
Computer Repair & Maintenance	1.10	1.31
Connectivity Charges	1.37	1.20
Conveyance Expenses	0.51	0.47
Consultancy Charges	0.40	0.48
Credit Rating Fees	2.75	1.73
Depository Charges	1.69	2.39
Designing Expenses	3.05	5.14
Discount, Rebate & Round off	(6.20)	(0.79)
Donation	6.00	0.00
Electricity Expenses	12.01	13.22
Exhibition Charges	71.56	45.35
Export Expenses	22.51	21.61
Franking Charges	0.01	0.03
Freight Charges	23.00	26.88
Hire Charges	3.74	4.14
Insurance Expenses	11.22	14.14
Interest on Excise Duty	0.01	0.00
Interest on TDS	0.16	0.00
Late Fees and penalty on GST	0.47	0.37
Listing Fees	2.88	2.29
Internet Charges	0.85	0.98
Membership Fees	2.30	0.14
Manpower Service Charges	0.23	0.52
Office Expenses	4.72	5.99
Packing Material & Threads	2.25	0.40
Professional Tax	0.02	0.08
Postage Expenses	2.63	2.26
Prior period Expenses	2.15	0.00
Printing and Stationery	5.35	4.08
Professional Fees	21.50	16.07
Repair & Maintenance - others	2.62	1.11
ROC Fees	0.11	0.95

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Particulars	(₹ in lakhs)	
	31 March 2018	31 March 2017
Rent	69.99	59.42
Service Tax on Export Bank Charges	1.06	0.00
Security Service Charges	1.66	1.77
Software charges	0.18	0.92
Society Charges	1.02	0.89
Telephone Expenses	3.22	2.97
Travelling Expenses	8.76	5.54
VAT Amount W/off	0.73	0.00
Valuation Charges	0.27	0.39
	335.26	279.88

Notes forming part of Financial Statements

A. Company Overview

1. Swarnsarita Gems Limited ('the Company') is engaged in the business of manufacturing, sale and trading in the gold Jewellery and precious stone studded Jewellery.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, Maharashtra, India. The Company has its primary listings on the BSE Limited.

B. Statement of Compliance

These 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 Companies (Indian Accounting Standards) amendment rules, 2016 and other relevant provisions of the act.

C. Significant Accounting Policies

2. Basis of Preparation of Financial Statement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

3. Use of Estimates and Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

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Impairment of investments

The Company reviews its carrying value of investments carried at amortised 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.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

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 8.

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4. Revenue recognition

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

5. Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in cost of material consumed, employee benefit expenses, depreciation and amortization, finance cost and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. 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.

6. Foreign Currency

Transactions in foreign currencies are normally recorded at the exchange rate prevailing during the period of transaction.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised 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.

7. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability

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during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches 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.

Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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 utilised.

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 liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

8. Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

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.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial

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assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

9. Investment in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

10. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

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.

11. Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

12. Impairment

Financial assets (other than at fair value)

The Company assesses at each date of Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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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 recognised in the statement of profit and loss.

13. Inventories

Finished Goods

- i. Gold and Diamond Jewellery is valued at cost on weighted average method by taking average of borrowed gold and self-purchased gold separately.
- ii. Other goods are valued at cost or net realizable value whichever is lower.

Raw Materials:

- i. Gold and other precious metal is valued at cost on weighted average method by taking average of borrowed gold and self-purchased gold separately.
- ii. Loose diamonds are valued at weighted average cost method.

14. Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

15. 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 performa invoice provided by the suppliers of the gold.
- (ii) Difference arise in the value of purchases as compared to the value as per performa 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 yearend 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.

16. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 – Revenue from Contracts with Customers

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Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Swarnsarita Gems Limited is evaluating the impact of this amendment on its financial statements.

D. Notes to the Accountants

17. Financial Instruments

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

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(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

(₹ in lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	4498.11	4498.11
Trade Receivables	0.00	5208.19	5208.19
Investments (other than in subsidiary)	5.18	0.00	5.18
Investments in subsidiary	0.00	1000.00	1000.00
Loans	0.00	1071.54	1071.54
Total	5.18	11777.84	11783.02
Financial Liabilities			
Trade payable	0.00	254.73	254.73
Borrowings	0.00	10547.99	10547.99
Other financial liabilities	0.00	537.68	537.68
Total	0.00	11340.40	11340.40

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

(₹ in lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	2019.17	2019.17
Trade Receivables	0.00	4371.70	4371.70
Investments (other than in subsidiary)	319.02	1.82	320.84
Investments in subsidiary	0.00	1000.00	1000.00
Loans	0.00	1249.82	1249.82
Total	319.02	8640.51	8961.53
Financial Liabilities			
Trade payable	0.00	346.24	346.24
Borrowings	0.00	7938.34	7938.34
Other financial liabilities	0.00	176.38	176.38
Total	0.00	8460.97	8460.97

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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.

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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.

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

(₹ in lakhs)

As at March 31, 2018 Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	5.12	0.00	0.00	5.12
Equity shares	0.06	0.00	0.00	0.06
Total	5.18	0.00	0.00	5.18

(₹ in lakhs)

As at March 31, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	318.90	0.00	0.00	318.90
Equity shares	0.12	0.00	0.00	0.12
Total	319.02	0.00	0.00	319.02

(a) Financial risk management

The Company is exposed primarily to credit, liquidity, 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.

(a) 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.

(b) 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 counterparty 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 analysing

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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 10708.34 lakhs and 7711.34 lakhs as at March 31, 2018 and March 31, 2017 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, 2018 and two customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2017.

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2018

Name of Customer	Outstanding Amount (₹ in lakhs)	% to total receivables
Victoria Jewellery FZCO	1159.33	22.26%

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2017

Name of Customer	Outstanding Amount (₹ in lakhs)	% to total receivables
Victoria Jewellery FZCO	1636.53	37.43%
SSG Jewellery LLC	446.32	10.21%

(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.

18. Earnings per equity share

Particulars	2018	2017
Profit for the year (in Rs. lakhs)	429.77	286.85
Weighted average number of equity shares	20876800	20876800
Earnings per share basic and diluted (in Rs.)	2.06	1.37
Face value per equity shares (in Rs.)	10	10

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19. Auditor Remuneration

	(₹ in lakhs)	
Particulars	2018	2017
Services as statutory Auditors	4.00	3.00
Tax Audit	1.00	1.00
Service Tax	.00	0.60

20. Micro and Small Enterprises

There is no amount dues to micro and small enterprises and dues to micro and small enterprises have been determined on the basis of information collected by the management.

21. 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, 2018

	(₹ in lakhs)			
Particulars	2018		2017	
	Outstanding as at March 31, 2018	Maximum amount outstanding during the year	Outstanding as at March 31, 2017	Maximum amount outstanding during the year
Swarnsarita Realty Private Limited	1051.82	1051.82	1231.81	1231.81

22. Related Party Transaction

Transaction with related parties are as follows:

Year ended March 31, 2018

	(₹ in lakhs)			
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Interest income	100.27	0.00	0.00	0.00
Share of Profit/Loss	0.00	0.00	0.00	0.00
Rent Expenses	0.00	0.00	30.00	2.50
Loan/ Advance Given	33.26	0.00	0.00	0.00
Loan/Advance repayment received	303.50	0.00	0.00	0.00
Remuneration (Short term benefit)	0.00	0.00	83.13	54.47
Exhibition Charges	0.00	0.00	0.00	1.00

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Year ended March 31, 2017

(₹ in lakhs)				
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Interest income	105.90	0.00	0.00	0.00
Share of Profit/Loss	0.00	1.82	0.00	0.00
Rent Expenses	0.00	0.00	30.00	0.00
Investment in partnership firm (Net)	0.00	(507.27)	0.00	0.00
Loan/ Advance Given	52.46	0.00	0.00	0.00
Loan/Advance repayment received	30.40	0.00	0.00	0.00
Remuneration (Short term benefit)	0.00	0.00	42.00	30.00

Balance Receivables from Related parties are as follows:

As at March 31, 2018

(₹ in lakhs)				
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Investments	1000.00	0.00	0.00	0.00
Loan/Advances	1051.82	0.00	0.00	0.00

Balance Receivables from Related parties are as follows:

As at March 31, 2017

(₹ in lakhs)				
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Investments	1000.00	1.82	0.00	0.00
Loan/Advances	1231.82	0.00	0.00	0.00

Balance Payable to Related parties are as follows:

As at March 31, 2018

(₹ in lakhs)				
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Investments	0.00	0.00	0.00	0.00

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23. Dividends

The Company has not declared any dividend during the year

As per our report of even date **For and On behalf of the Board of Directors of Swarnasraitra Gems Limited**

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
DIN: 06664041

Prafulla Devaliya
Company
Secretary

Dhruvin Bharat Shah
Director
DIN: 07528387

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai

Date: May 29, 2018

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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS
SWARNSARITA GEMS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **SWARNSARITA GEMS LIMITED** ("the Holding Company") and its subsidiaries, company which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the cash flow statement and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and change in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its Profit and its cash flows and the change in equity for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - (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 as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
 - (g) 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 on its financial position in its financial statements.
 - ii. The Company does not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2018.

Date : 29.05.2018
Place: Mumbai

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No. :112492W
Suresh Anchaliya
Partner
M.No. : 044960

SWARNSARITA GEMS LTD.

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Swarnsarita Gems limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Swarnsarita Gems Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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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, 2018, based on internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant on India ('ICAI').

Date : 29.05.2018

Place: Mumbai

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No. :112492W
Suresh Anchaliya
Partner
M.No. : 044960

SWARNSARITA GEMS LTD.

(in ₹ lakhs)

Consolidated Balance Sheet as at	Note	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	1	156.83	165.04
Intangible assets	2	0.36	0.36
Financial Assets			
Investments	3	0.00	1.82
Loans and Advances	4	19.72	18.00
Deferred tax assets (Net)	5	0.00	0.00
Tax assets (Net)	6	672.83	280.68
Other Non-Current Assets	7	24.73	6.07
Total non-current assets		874.47	471.96
Current Assets			
Inventories	8	8793.22	8697.91
Financial Assets			
Investments	3	5.18	319.02
Trade Receivables	9	5266.01	4414.92
Cash and Cash Equivalents	10	4501.48	2019.33
Other Current Assets	7	1079.15	1202.22
Total Current Assets		19645.04	16653.40
Total Assets		20519.51	17125.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2083.76	2083.76
Other equity		6798.59	6365.05
Total equity		8882.35	8448.81
Liabilities			
Non-current liabilities			
Deferred tax liabilities	5	2.94	3.41
Other Financial Liabilities	14	14.42	14.42
Total non-current liabilities		17.36	17.83
Current liabilities			
Financial liabilities			
Borrowings	12	10547.99	7938.34
Trade payable	13	254.73	346.24
Other financial liabilities	14	578.89	217.60
Other current liabilities	15	25.19	19.04
Current Tax Liabilities (Net)	16	213.00	137.51
Total current liabilities		11619.79	8658.73
Total equity and liabilities		20519.51	17125.37

As per our report of even date

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

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
DIN: 06664041

Prafulla Devaliya
Company
Secretary

Dhruvin Bharat Shah
Director
DIN: 07528387

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai
Date: May 29, 2018

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(in ₹ lakhs)

Consolidated Statement of Profit and loss for the period ended on	Note	2018	2017
Revenue from operation	17	48633.85	28661.21
Other Income	18	427.65	356.96
Total Income		49061.50	29018.18
Expenses			
Purchase of Stock -in - Trade		0.00	0.00
Cost of material consumed	19	48246.09	28098.89
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	20	(1058.02)	(636.27)
Employee Benefit Expenses	21	454.90	382.83
Financial Costs	22	416.13	443.76
Depreciation and Amortization Expenses		20.46	22.10
Other Expenses	23	335.43	284.42
Total Expenses		48414.99	28595.72
Profit before tax		646.50	422.45
Tax Expense			
Current Tax		213.00	130.35
Tax for Earlier Year		0.42	0.00
Deferred Tax		(0.47)	2.91
Profit for the period		433.55	289.20
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		0.00	0.00
(B) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Total other comprehensive Income		0.00	0.00
Total Comprehensive Income for the period		433.55	289.20
Earning per equity share			
Basic		2.08	1.39
Diluted		2.08	1.39

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 Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
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Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai

Date: May 29, 2018

SWARNSARITA GEMS LTD.

Statement of Change in Equity

(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, 2016	2083.76	67.50	1368.10	49.46	4590.78	0.00	8159.60
Increase in share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	0.00	0.00	289.20	0.00	289.20
Balance as of March 31, 2017	2083.76	67.50	1368.10	49.46	4879.98	0.00	8448.80

(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, 2017	2083.76	67.50	1368.10	49.46	4879.98	0.00	8448.80
Increase in share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	0.00	0.00	433.55	0.00	433.55
Balance as of March 31, 2018	2083.76	67.50	1368.10	49.46	5313.53	0.00	8882.35

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 Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

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Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai
Date: May 29, 2018

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(in ₹ lakhs)

Statement of Cash Flow for the year ended	2018	2017
NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	646.50	422.45
Adjustment for :		
Depreciation and amortization of expenses	20.46	22.10
Gain/Loss on Investments	(5.06)	(6.17)
Interest Expenses	234.63	201.81
Operating Profit Before Working Capital Changes	896.53	640.19
Inventories	(95.31)	(1,991.25)
Trade Receivables	(851.09)	333.34
Loans	(1.72)	(1.00)
Other Assets	(287.74)	(64.76)
Trade and other payable	(91.512)	(607.34)
Other financial liabilities	361.29	118.51
Other Liabilities	81.17	(2.24)
Cash Generated From Operations	11.61	(1,574.56)
Income Tax Paid	(212.95)	(129.30)
Net Cash From Operating Activities	(201)	(1,704)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(12.25)	(13.48)
Purchase of Investments (net)	(5.00)	(260.00)
Proceeds from disposal/redemption of investments	323.90	29.68
Interest received	181.50	241.95
Investment in Partnership Firm	-	505.46
Proceeds from retirement of Partnership Firm	1.82	-
Net Cash Used In Investment Activities	489.98	503.60
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	2,609.65	451.23
Interest paid	(416.13)	(443.76)
Net Cash Used In Financing Activities	2,193.52	7.47
Net change in cash and cash equivalents	2,482.15	(1,192.78)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	2,019.33	3,212.11
Cash And Cash Equivalents As At The End of the Year	4,501.48	2,019.33
Net Increase / (Decrease) As Disclosed Above	2,482.15	(1,192.78)
Note : All figures in brackets are outflows		

As per our report of even date

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

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
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Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai
Date: May 29, 2018

SWARNSARITA GEMS LTD.

Notes to Financial Statement for the Year Ended 31st March, 2018

1. Property plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2018

(in ₹ lakhs)

	Cost				Depreciation			Carring Value	
Name of Assets	As On 01.04. 2017	Addition during the year	Deduction/ Written off During the Year	As On 31.03. 2018	As On 01.04. 2017	Depreciation during the year	Total As On 31.03. 2018	As On 31.03. 2018	As On 01.04. 2017
Mettler Balances	6.78	0.00	0	6.78	4.15	0.88	5.03	1.75	2.63
Motor Cars	103.57	0.00	0.00	103.57	58.02	8.03	66.05	37.52	45.55
Office Equipments	14.67	4.06	0.00	18.72	6.08	2.90	8.98	9.74	8.59
Computers	14.64	0.48	0.00	15.11	10.43	3.50	13.93	1.18	4.21
Furniture & Fixtures	12.98	7.72	0.00	20.70	2.36	1.28	3.64	17.06	10.61
Plant & Machinery	45.84	0.00	0.00	45.84	4.56	3.01	7.57	38.26	41.28
Office Building	53.52	0.00	0.00	53.52	1.36	0.85	2.21	51.31	52.17
Total	251.99	12.25	0.00	264.24	86.95	20.46	107.41	156.83	165.04

Following are the changes in the carrying value of property, plant and equipment for the Year ended 31st March, 2017

(in ₹ lakhs)

	Cost				Depreciation			Carring Value	
Name of Assets	As On 01.04. 2016	Addition during the year	Deduction/ Written off During the Year	As On 31.03. 2017	As On 01.04. 2016	Depreciation during the year	Total As On 31.03. 2017	As On 31.03. 2017	As On 01.04. 2016
Mettler Balances	6.41	0.37	0	6.78	3.28	0.87	4.15	2.63	3.14
Motor Cars	91.94	11.63	0.00	103.57	50.83	7.19	58.02	45.55	41.11
Office Equipments	13.93	0.74	0.00	14.67	3.25	2.83	6.08	8.59	10.68
Computers	14.51	0.13	0.00	14.64	5.96	4.47	10.43	4.21	8.55
Furniture & Fixtures	12.98	0.00	0.00	12.98	1.12	1.24	2.36	10.61	11.86
Plant & Machinery	45.22	0.62	0.00	45.84	1.56	3.00	4.56	41.28	43.66
Office Building	53.52	0.00	0.00	53.52	0.50	0.85	1.36	52.17	53.02
Total	238.51	13.48	0.00	251.99	66.49	20.46	86.95	165.04	172.01

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2. Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2018

(in ₹ lakhs)

Name of Assets	Cost				Depreciation			Carring Value	
	As On 01.04.2017	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2018	As On 01.04.2017	Depreciation during the year	Total As On 31.03.2018	As On 31.03.2018	As On 01.04.2017
Trademark	0.36	0	0	0	0	0	0	0.36	0.36
Total	0.36	0	0	0	0	0	0	0.36	0.36

Following are the changes in the carrying value of Intangible Assets for the Year ended 31st March, 2017

(in ₹ lakhs)

Name of Assets	Cost				Depreciation			Carring Value	
	As On 01.04.2016	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2017	As On 01.04.2016	Depreciation during the year	Total As On 31.03.2017	As On 31.03.2017	As On 01.04.2016
Trademark	0.36	0		0	0	0	0	0.36	0.36
Total	0.36	0	0	0	0	0	0	0.36	0.36

3. Investments

Particulars	As at 31.03.2018	As at 31.03.2017
Non-current investments		
Unquoted Investment carried at cost		
Investment in partnership firm Swarnsarita Gold and Diamonds	0.00	1.82
	0.00	1.82

Total Capital of the partnership firm Swarnsarita Gold and Diamonds

Details of partners and their Share in profit and loss and Share in Capital

Name of Partner	Profit sharing ratio as at				Closing capital as at	
	upto 15 th November, 2016 (retirement date)		31.03.2016		31.03.2017	31.03.2016
Lalit Shankalal Chordia	10%	0.52	10%	1.87	0.05	-0.46
Swarnsarita Gems Limited *	35%	1.82	35%	8.41	1.82	507.27
Manoj Jasraj Golecha	8%	0.41	8%	1.49	-2.95	-3.37
Shweta Anuj Golecha	22%	1.14	22%	4.11	0.60	-0.54
Jasraj Jain	15%	0.78	15%	2.80	3.58	2.80
Saloni Singhvi	10%	0.52	10%	2.08	2.59	2.08

* Swarnsarita Gems Limited has resigned from the Swarnsarita gold and diamonds on 15th November, 2016

SWARNSARITA GEMS LTD.

Particulars	As at 31.03.2018	As at 31.03.2017
Current investments		
Investment Carried at fair value through profit and loss account (FVTPL)		
Liquid mutual fund units		
Union KBC Mutual Fund	5.12	318.90
Equity investments		
SJ Corporation Limited of ₹ 1 each	0.06	0.12
400 quity shares of ₹ 1 each, fully paid up		
	5.18	319.02
Total carrying Value	5.18	320.84
4. Loans		
Non - Current		
Unsecured, considered good		
Others		
Nilkanth jewellers	19.72	18.00
	19.72	18.00
5. Deffered tax assets (Liabilities)		
Property plant and equipment	2.94	-3.41
	2.94	-3.41
6. Tax assets (Net)		
Income tax assets	131.73	148.73
Indirect tax assets	541.10	131.95
	672.83	280.68

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Particulars	As at 31.03.2018	As at 31.03.2017
7. Other assets		
1. Non-current		
Advances other than capital advances		
Security Deposit	24.73	6.07
Preliminary Expenses	0.00	0.00
	24.73	6.07
2. Current		
Capital Advances		
Advance for purchase of machinery	0.00	0.00
Advance for purchase of property	1056.76	1170.24
Advances other than capital advances		
Other advances		
Advance to supplier	19.33	23.37
Prepaid expenses	3.06	8.61
Job work charges receivables	0.00	0.00
	1079.15	1202.22
Total other assets	1103.88	1208.29
8. Inventories		
Raw Materials	2078.41	3041.12
Finished Goods	6714.81	5656.79
	8793.22	8697.91
9. Trade receivables		
Unsecured		
Considered good	5266.01	4414.92
Considered doubtful	0.00	0.00
	5266.01	4414.92
10. Cash and cash equivalents		
Balances with banks		
Cash on hand	3.14	0.37
In current accounts	2154.84	12.05
Fixed Deposits	2343.50	2006.91
	4501.48	2019.33

SWARNSARITA GEMS LTD.

11. Equity share capital

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised Share:		
2,20,00,000 Equity Shares of ₹ 10/- each	2200.00	2200.00
Issued, Subscribed and Paid up:		
2,08,76,800 Equity Shares of ₹ 10/- each Fully Paid-Up	2087.68	2087.68
Less : Call Money Due on Equity Shares	(3.92)	(3.92)
Total	2083.76	2083.76

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

Particulars	As at 31.03.2018	As at 31.03.2017
	No. of Shares	No. of Shares
Outstanding at the Beginning of the Reporting Year	20876800	20876800
Add: Issued During the year	0	0
Outstanding at the End of the Reporting Year	20876800	20876800

Terms / Right Attached to Equity Shares

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 ₹ 10/- each

No.	Name	As at 31 st March, 2018		As at 31 st March, 2017	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	93,57,187	44.82	89,68,761	42.96

12. Borrowing

Particulars	As at 31.03.2018	As at 31.03.2017
Current		
Secured, loans repayable on demand		
From Banks		
Union Bank of India (CC A/c) 1	126.46	117.23
The Bank of Nova Scotia 2	1833.16	1678.76
Union Bank of India (Gold Loan)1	6613.78	6142.35
Yes Bank CC Account 3	1974.58	
	10547.99	7938.34

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- ¹ The Cash Credit facility and Gold Loan from the Union Bank of India is secured by hypothecation of Stock and book debts upto 90days on paripassu basis with kotak mahindra bank and and collaterally secured by the equitable mortgage of property of being Shops at Kalyan bearing No. 3, 103, 4, 104, 15, 115, 16 and 116 and office no. 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 Swarnsarita Jewellers Private Limited.
- ² The Metal Gold loan facility from the Bank of Nova Scotia is secured by Stand by Letter of Credit (SBLC) issued by Kotak Mahindra Bank.
- ³ 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, First Pari Passu Charge on all the present and future current assets and movable fixed assets, personal guarantee of directors of the company..

13. Trade payable

Particulars	As at 31.03.2018	As at 31.03.2017
Current		
Trade Payable	254.73	346.24
	254.73	346.24

14. Other financial liabilities

Non-Current		
Rent Deposits	14.42	14.42
	14.42	14.42
Current		
Expenses payables	467.56	173.90
Advance received from customer	70.40	2.77
Payable for property purchase	40.93	40.93
	578.89	217.60

15. Other liabilities

Current		
Withholding tax payable	25.19	19.04
	25.19	19.04

16. Current tax liabilities

Income tax liabilities	213.00	137.51
	213.00	137.51

SWARNSARITA GEMS LTD.

17. Revenue from operation

Particulars	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
Sale of Goods	47,120.89	27,155.81
Excise Duty	-	132.95
Rent Income	40.15	52.68
Labour Charges Received	1,472.81	1,319.77
	48,633.85	28,661.21

18. Other Income

Particulars	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
Interest Income	181.50	241.95
Sundry Balance W/off	-	0.02
Exchange difference	241.08	106.40
Income/(Loss) from Partnership Firm	-	1.82
Certification charges received	-	0.61
Gain/Loss on valuation of Shares and mutual fund at fair value	5.06	6.17
	427.65	356.96

19. Cost of material consumed

Purchase of Goods	46,452.78	28,731.20
Labour Charges & Other Charges	830.60	589.72
Excise Duty	-	132.95
<u>Add:- Opening Stock</u>		
Raw Material	3,041.12	1,686.13
 <u>Less:- Closing Stock</u>		
Raw Material	2,078.41	3,041.12
Raw Material Consumed	48,246.09	28,098.89

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

Particulars	As at 31.03.2018	As at 31.03.2017
Opening Balance of Inventory	5,656.79	6,102.94
Less: Closing Balance of Inventory	6,714.81	6,739.21
	(1,058.02)	(636.27)

21. Employee benefit expenses

Salaries and Wages ¹	446.05	367.14
Staff Welfare Expenses	5.70	15.69
Staff Insurance Charges	3.15	-
	454.90	382.83

¹ Salaries and wages includes director remuneration of ₹ 44.40 Lakhs for 31.03.2017.

22. Finance Costs

Interest Expenses	416.13	443.76
	416.13	443.76

23. Other Expenses

	(₹ in lakhs)	
Particulars	31 March 2018	31 March 2017
Advertising Expenses	1.05	0.86
Auditor Remuneration	3.80	4.91
Bad Debts	13.71	16.35
Brokerage and Commission	2.50	-
Certification Charges	24.35	13.61
Computer Repair & Maintenance	1.10	1.31
Connectivity Charges	1.37	1.20
Conveyance Expenses	0.51	0.47
Consultancy Charges	0.40	0.48
Credit Rating Fees	2.75	1.73
Depository Charges	1.69	2.39
Designing Expenses	3.05	5.14
Discount, Rebate & Round off	(6.20)	(0.78)
Donation	6.00	-
Electricity Expenses	12.01	13.22
Exhibition Charges	71.56	45.35
Export Expenses	22.51	21.61
Franking Charges	0.01	0.03
Freight Charges	23.00	26.88
Hire Charges	3.74	4.14

SWARNSARITA GEMS LTD.

Particulars	(₹ in lakhs)	
	31 March 2018	31 March 2017
Insurance	11.22	14.14
Interest on Excise Duty	0.01	-
Interest on TDS	0.16	-
Late Fees and penalty on GST	0.47	0.38
Listing Fees	2.88	2.29
Internet Charges	0.85	0.98
Membership Fees	2.30	0.14
Manpower Service charges	0.23	0.52
Office Expenses	4.72	5.99
Packing Material & Threads	2.25	0.40
Professional Tax	0.02	0.08
Postage Expenses	2.63	2.26
Prior Period Expenses	2.15	-
Printing and Stationery	5.35	4.08
Professional Fees	21.56	20.27
Repair & Maintenance - others	2.62	1.11
ROC Fees	0.23	0.98
Rent	69.99	59.42
Security Service Charges	1.06	1.77
Software Licence Charges	1.66	0.92
Stamp Duty	0.18	-
Society Charges	1.02	0.89
Telephone Expenses	3.22	2.97
Travelling Expenses	8.76	5.54
VAT Amount W/off	0.73	0.39
Valuation Charges	0.27	
	335.43	284.42

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Notes forming part of Consolidated Financial Statements

A. Company Overview

1. Swarnsarita Gems Limited ('the Company') is engaged in the business of manufacturing, sale and trading in the gold jewellery and precious stone studded jewellery.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, Maharashtra, India. The Company has its primary listings on the BSE Limited.

B. Statement of Compliance

2. These financial statements have been prepared in accordance with Ind AS 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.

C. Significant Accounting Policies

3. Principles of Consolidation

The consolidated financial statements relate to Swarnsarita Gems Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (e) Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company
- (f) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (g) The Company accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

D. Other Significant Accounting Policies

These are set out under "significant accounting policies" as given in the company's standalone financial statements.

E. Notes to the Accountants

4. Financial Instruments

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

SWARNSARITA GEMS LTD.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

(₹ in lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	4501.48	4501.48
Trade Receivables	0.00	5266.01	5266.01
Investments	5.18	0.00	5.18
Loans	0.00	19.72	19.72
Total	5.18	9787.21	9792.39
Financial Liabilities			
Trade payable	0.00	254.73	254.73
Borrowings	0.00	10547.99	10547.99
Other financial liabilities	0.00	578.89	578.89
Total	0.00	11381.61	11381.61

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

(₹ in lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	2019.33	2019.33
Trade Receivables	0.00	4414.92	4414.92
Investments	319.02	1.82	320.84
Loans	0.00	18.00	18.00
Total	319.02	6454.07	6773.09
Financial Liabilities			
Trade payable	0.00	346.24	346.24
Borrowings	0.00	7938.34	7938.34
Other financial liabilities	0.00	217.60	217.60
Total	0.00	8502.18	8502.18

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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

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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.

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

(₹ in lakhs)

As at March 31, 2018 Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	5.12	0.00	0.00	5.12
Equity shares	0.06	0.00	0.00	0.06
Total	5.18	0.00	0.00	5.18

(₹ in lakhs)

As at March 31, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	318.90	0.00	0.00	318.90
Equity shares	0.12	0.00	0.00	0.12
Total	319.02	0.00	0.00	319.02

(a) Financial risk management

The Company is exposed primarily to credit, liquidity, 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.

(a) 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.

(b) 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 counterparty 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

SWARNSARITA GEMS LTD.

of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing 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 9769.52 lakhs and 6754.72 lakhs as at March 31, 2018, and March 31, 2017, 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, 2018 and two customers contributes to more than 10% of outstanding accounts receivable as at March 31, 2017.

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2018

Name of Customer	Outstanding Amount (in Rs. Lakhs)	% to total receivables
Victoria Jewellery FZCO	1159.33	22.02%

Details of customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2017

Name of Customer	Outstanding Amount (in Rs. Lakhs)	% to total receivables
Victoria Jewellery FZCO	1636.53	37.43%
SSG Jewellery LLC	446.32	10.21%

(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.

5. Earnings per equity share

Particulars	2018	2017
Profit for the year (in Rs. lakhs)	433.55	289.20
Weighted average number of equity shares	20876800	20876800
Earnings per share basic and diluted (in Rs.)	2.08	1.39
Face value per equity shares (in Rs.)	10	10

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6. Auditor Remuneration

	(₹ in lakhs)	
Particulars	2018	2017
Services as statutory Auditors	3.00	3.00
Tax Audit	1.00	1.00
Service Tax	0.00	0.60

7. Micro and Small Enterprises

There are no amount dues to micro and small enterprises and dues to micro and small enterprises have been determined on the basis of information collected by the management.

8. Related Party Transaction

Transaction with related parties are as follows:

Year ended March 31, 2018

	(₹ in lakhs)		
Particulars	Associates	Key management Personnel	Other Related Parties
Interest income	0.00	0.00	0.00
Share of Profit/Loss	0.00	0.00	0.00
Rent Expenses	0.00	30.00	2.50
Investment in partnership firm (Net)	0.00	0.00	0.00
Loan/ Advance Given	0.00	0.00	0.00
Loan/Advance repayment received	0.00	0.00	0.00
Remuneration (Short term benefit)	0.00	0.00	0.00
Exhibition Charges	0.00	83.13	54.47
	0.00	0.00	1.00

Year ended March 31, 2017

	(in ₹ lakhs)		
Particulars	Associates	Key management Personnel	Other Related Parties
Interest income	0.00	0.00	0.00
Share of Profit/Loss	1.82	0.00	0.00
Rent Expenses	0.00	30.00	0.00
Investment in partnership firm (Net)	(507.27)	0.00	0.00
Loan/ Advance Given	0.00	0.00	0.00
Loan/Advance repayment received	0.00	0.00	0.00
Remuneration (Short term benefit)	0.00	86.40	30.00

SWARNSARITA GEMS LTD.

Balance Receivables from Related parties are as follows:

As at March 31, 2018

(₹ in lakhs)			
Particulars	Associates	Key management Personnel	Other Related Parties
Investments	0.00	0.00	0.00
Loan/Advances	0.00	0.00	0.00

Balance Receivables from Related parties are as follows:

As at March 31, 2017

(₹ in lakhs)			
Particulars	Associates	Key management Personnel	Other Related Parties
Investments	1.82	0.00	0.00
Loan/Advances	0.00	0.00	0.00

9. Dividends

The Company has not declared any dividend during the year.

As per our report of even date **For and On behalf of the Board of Directors of Swarnasraita Gems Limited**

For Suresh Anchaliya & Co.
Chartered Accountants Firm
Regn. No.- 112492W

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sunny M.Chordia
Executive Director
DIN: 06664041

Prafulla Devaliya
Company
Secretary

Dhruvin Bharat Shah
Director
DIN: 07528387

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial
Officer

Vishal Roshanlal Nolkha
Director
DIN: 06855541

Place: Mumbai
Date: May 29, 2018

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SWARN SARITA GEMS LIMITED

Reg. Add. : Room No. 5 to 10, 6th Floor, 125/ 127, Daya Mandir Building, Mumbadevi Road, Mumbai-400003

CIN: L36911MH1992PLC068283 E-mail: info@swarnsarita.com

Tel. No. 022-43590000 Fax No.: 022-43590010 Website: www.swarnsarita.com

Form No. MGT-11 FORM OF PROXY

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Venue of the Meeting: Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.

Date & Time: Wednesday, 26th September 2018 at 10.00 am.

PLEASE FILL PROXY FORM AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Name	
Registered Address	
Email Id	
DP Id	
Client Id	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I/We _____ of _____ being a member/ member of _____ hereby appoint the following as my /our Proxy to attend the vote (for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Wednesday **September 26, 2018 at 10.00 a.m.** at Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai- 400077 and at any adjournment thereof) in respect of such resolutions as are indicated below:

1. Mr/Mrs _____ (Name and Signature of the Proxy) or failing him/her Registered.

Address: _____

Email Id _____ Signature _____

2. Mr/Mrs _____ (Name and Signature of the Proxy) or failing him/her Registered.

Address: _____

Email Id _____ Signature _____

** I/We direct my/our Proxy to vote on the resolutions in the manner as indicated below:

Sr. No.	Resolutions	Number of Shares Held	For	Against
Ordinary Business				
1.	The Audited Standalone and Consolidated Financial Statement of the Company for the financial year ended 31 st March, 2018 together with the Directors Report and Auditor's Report thereon;			
2.	Re-appointment of Mr. Mahendra M. Chordia, who retires by rotation.			
3	Ratify the Appointment of M/s. Suresh Anchaliya & Co., Chartered Accountants, Mumbai as Auditor.			
Special Business				
4.	Make loans and investments by the company			
5.	Appointment of Mr. Sunny Mahendra Chordia as a Whole-time Director of the Company.			
6.	Appointment of Mrs. Seema Rajendra Chordia as a Whole-time Director of the Company.			

** This is optional. Please put a tick mark (v) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

1. _____

2. _____

3. _____


Signed this _____ day of _____ 2018

Affix One
Rupee
Revenue
Stamp



SWARNSARITA GEMS LTD.

Notes:

1. The Proxy to be effective should be deposited at the registered office of the company not less than Forty Eight Hours before commencement of the meeting.
 2. A proxy need not be a member of the company.
 3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
 4. The form of proxy confers authority to demand or join in demanding a poll.
 5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
 6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.
- 



SWARNSARITA GEMS LIMITED
Room No. 5 to 10, 6th Floor, 125/ 127, Daya
Mandir Building, Mumbadevi Road
Mumbai-400003
Tel. No. 022-43590000