

SWARNSARITA GEMS LIMITED

CIN: L36911MH1992PLC068283

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

Tel. no.: 022-40047000 Fax. No.: 022-43590010

Email: info@swarnsarita.com Website: www.swarnsarita.com

September 04, 2019

To,
Asst. General Manager-
Dept of Corp. Services,
Bombay Stock Exchange Ltd.
1st Floor, P.J. Towers, Dalal Street, Fort,
Mumbai: 400001, Maharashtra, India.

Respected Sir/Madam,

Scrip code: 526365

Sub: Submission of the Annual Report for the financial year ended March 31 2019.

Respected Sir,

With reference to the above captioned subject, We are attaching herewith scan copy of the Annual Report for the financial year ended March 31,2019.

Please take the same in your record.

Thanking You,

Yours faithfully,

Yours faithfully,
FOR SWARNSARITA GEMS LIMITED


SUNNY M. CHORDIA
(DIRECTOR)

DIN: 06664041





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SWARNSARITA GEMS LTD.

Board of Directors:	Mr. Mahendra Madanlal Chordia Mr. Sunny Mahendra Chordia Mrs. Seema Rajendra Chordia Mr. Dhruvin Bharat Shah Mr. Deep Shailesh Lakhani Mr. Durgesh Kabra Mr. Ashok Surana Mr. Vishal R Nolkha	Managing Director Whole- time Director Whole - time Director Independent Director Independent Director (Appointed w.e.f. 18.10.2018) Independent Director (Appointed w.e.f. 18.10.2018) Independent Director (Resigned w.e.f. 18.10.2018) Independent Director (Resigned w.e.f. 18.10.2018)
Company Secretary & Compliance Officer:	Mrs. Prafulla Devaliya (Resigned w.e.f. 17.01.2019)	
Chief Financial Officer:	Sanket Dangi	
Statutory Auditors:	SURESH ANCHALIYA & CO Chartered Accountant	
Bankers:	UNION BANK OF INDIA Zaveri Bazar Branch, Mumbai – 400002 YES BANK LTD. Mumbai	
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.	
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	

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DELHI:

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

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

SWARNSARITA GEMS LTD.

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of SWARNSARITA GEMS LIMITED will be held on 26th September, 2019 at Balbhawan, Ghatkopar Balkan Ji Bari Marg, Opposite Rajwadi Garden, Ghatkopar East, Mumbai 400077, Maharashtra, India at 10:00 am (IST) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.

2. Appointment of Mrs. Seema R. Chordia as director liable to retire by rotation:

To appoint a Director in place of Mrs. Seema R. Chordia (DIN: 02685866), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

3. Appointment of M/s Banshi Jain & Associates, Chartered Accountants, as the Statutory Auditors of the Company:

To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of Five years until the conclusion of the 32nd Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution

“RESOLVED THAT, in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, M/s Banshi Jain & Associates, Chartered Accountants (Firm Registration No.100990W), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. SURESH ANCHALIYA & CO., whose term has expired in this Annual General Meeting) from the conclusion of this Annual General Meeting to hold such office for a period of five years till the conclusion of the 32nd Annual General Meeting, to conduct the audit for the financial year 2019-20 at a remuneration of INR 500000/- (Indian Rupees Five Lacs only) payable in one or more installments plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

SPECIAL BUSINESS:

4. Appointment of Mr. Durgesh Kumar Kabra (DIN: 00017670) as an Independent Director

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

“RESOLVED THAT Mr. Durgesh Kumar Kabra (DIN: 00017670), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 18th October, 2018, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Durgesh Kumar Kabra, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing 18th October, 2018 to 17th October, 2023.”

5. Appointment of Mr. Deep Shailesh Lakhani (DIN: 08018001) as an Independent Director

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

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“RESOLVED THAT Mr. Deep Shailesh Lakhani (DIN: 08018001), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 18th October, 2018, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Deep Shailesh Lakhani (DIN: 08018001), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing 18th October, 2018 to 17th October, 2023.”

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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, 2019 to Thursday, 26th September, 2019** (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 one day before 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.

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 C-101,247 Park, LBS Marg, Vikhroli West , Mumbai - 4400083, Maharashtra, India in respect of their physical share folios.

9. 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.
10. 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.
11. 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.
12. The Annual Report for 2018-19, the Notice of the 27th 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.
13. 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.

14. 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.
15. 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.
16. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office
17. 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. 19th September, 2019.
18. 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.
19. 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

C-101,247 Park, LBS Marg, Vikhroli West

Mumbai - 4400083, Maharashtra, India.

Ph. 022 -28515606/5644| email: support@sharexindia.com

20. Instructions for Voting through electronics 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 27th 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 Monday, September 23, 2019 and will end at 5.00 pm (IST) on Wednesday, September 25, 2019. 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. Thursday, September 19, 2019.

The Board of Directors at their meeting held on August 14, 2019 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.

SWARNSARITA GEMS LTD.

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. Thursday, 26th September 2019.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, September 23, 2019 (9.00 a.m.) and ends on Wednesday, September 25, 2019 (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 Thursday, September 19, 2019 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

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- (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. 3

The Members of the Company at Annual General Meeting ('AGM') held on 22nd September, 2014 approved the appointment of M/s. Suresh Anchaliya & Co., Chartered Accountants (Firm Registration no. 112492W), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. Suresh Anchaliya & Co. will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended to the approval of the Members, the appointment of M/s Banshi Jain & Associates, Chartered Accountants (Firm Registration No. 100990W), as the new Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 32nd AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s Banshi Jain & Associates, for the financial year 2019-20 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Banshi Jain & Associates, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s Banshi Jain & Associates, have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 4

Appointment of Mr. Durgesh Kumar Kabra (DIN: 00017670) as an Independent Director:

Board of directors of the Company has appointed Mr. Durgesh Kumar Kabra as an Additional Director in the category of Independent Director of the Company and who holds office of the Director till the conclusion of ensuing Annual General Meeting. Further, the appointment of Mr. Durgesh Kumar Kabra is recommended by Nomination and Remuneration Committee

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Durgesh Kumar Kabra as an Independent Director of the Company for a consecutive term of five years commencing from 18th October, 2018 to 17, 2023.

CA. Durgesh Kabra, a fellow member of the Institute of Chartered Accountants of India, is the founder managing partner of the DMKH & Co. with over 23 years of experience in almost every aspect of the accounting and auditing profession. He has expertise in statutory audits under the Companies Act, 1956. And he is also past chairman of Western Regional Council of ICAI.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Durgesh Kumar Kabra is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.4 for the approval of the members.

ITEM NO. 5

Appointment of Mr. Deep Shailesh Lakhani (DIN: 08018001) as an Independent Director

Board of directors of the Company has appointed Mr. Deep Shailesh Lakhani as an Additional Director in the category of

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Independent Director of the Company and who holds office of the Director till the conclusion of ensuing Annual General Meeting. Further, the appointment of Mr. Deep Shailesh Lakhani is recommended by Nomination and Remuneration Committee

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Deep Shailesh Lakhani as an Independent Director of the Company for a consecutive term of five years commencing from 18th October, 2018 to 17, 2023.

He is Graduate in BMS from Mumbai University and post graduation diploma in Event Management and Current working as a partner in Black Rose Events & Entertainment LLP

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Deep Shailesh Lakhani is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.5 for the approval of the members.

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

SWARNSARITA GEMS LTD.

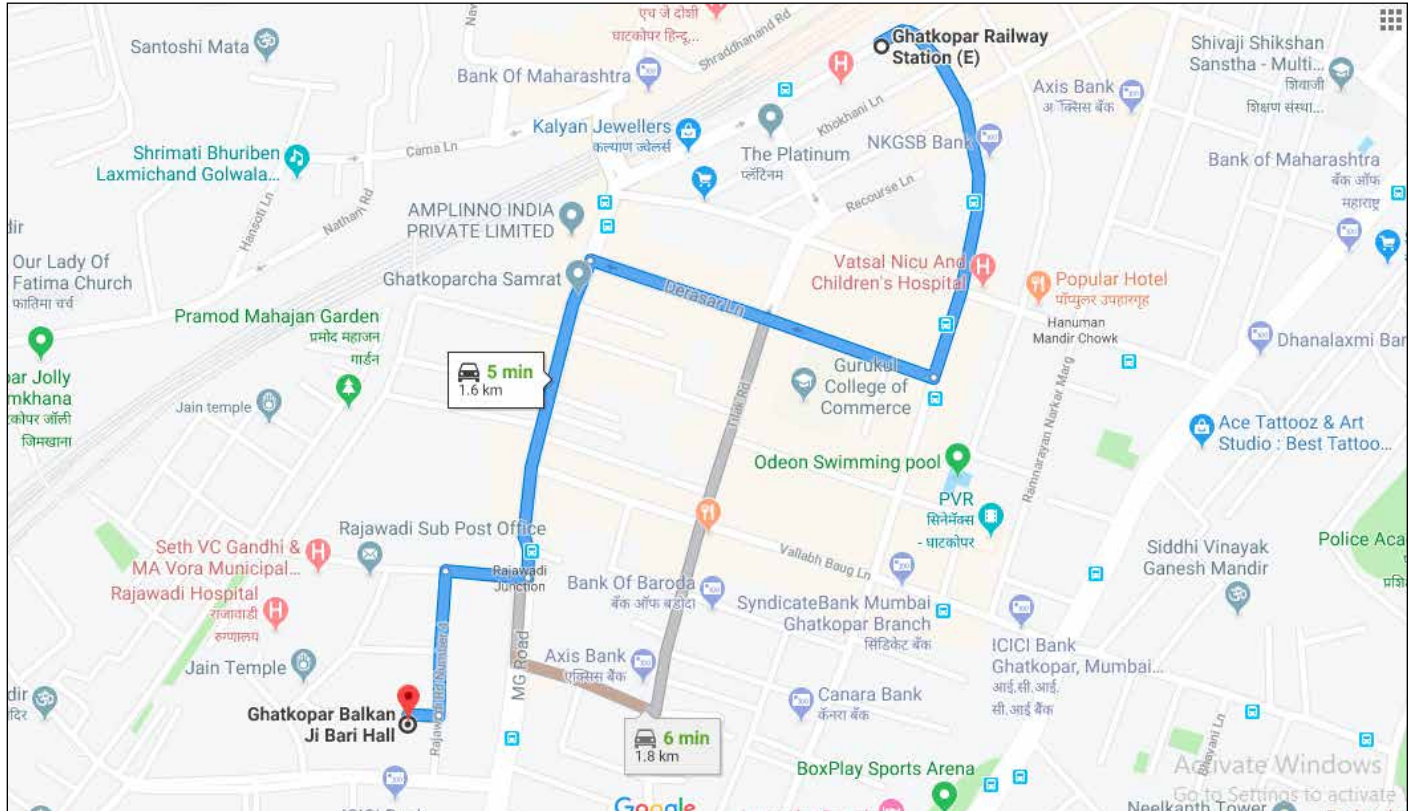
Details of Directors seeking appointment / re-appointment at the Annual General Meeting

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

Name of Director	Mrs. Seema R. Chordia	Mr. Durgesh Kumar Kabra	Mr. Deep Shailesh Lakhani
DIN	02685866	00017670	08018001
Age	44	55	25
Date of appointment	17 /10/2017	18/10/2018	18/10/2018
Nature of expertise	She is expertise in Jewellery Marketing for almost 12 years.	He is expertise in Auditing and Accounting for almost 23 years.	He is expertise in Business Managements.
Qualification	H.S.C	F.C.A. & B.Com.(Hons)	B.M.S.
Relationships between directors inter-se	Mr. Mahendra M. Chordia – (Husband's Brother) and Mr. Sunny M Chordia (Husband's Brother's Son)	N.A.	N.A.
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2019	Nil	Dhanlaxmi Fabrics Limited	Nil
Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2019	Nil	Dhanlaxmi Fabrics Limited	Nil
Terms and conditions of Appointment/ Re-appointment	As per existing terms and conditions	Independent Director – 5 years w. e. f. 18th October, 2018	Independent Director – 5 years w. e. f. 18th October, 2018
Number of Meetings of the Board attended during the Year			
Directorship and Membership in the committees of other listed Companies	Nil	Dhanlaxmi Fabrics Limited	Nil
Shareholding of Directors (As on March 31, 2019)	Nil	Nil	Nil

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ROUTE MAP FOR AGM



SWARNSARITA GEMS LTD.

DIRECTORS' REPORT

To,
The Members,
Swarnsarita Gems Limited

Your Directors have pleasure in presenting their 27th Annual Report on the Audited Statement of Accounts for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	54823.73	48509.70	54884.23	48633.85
Other Income	642.71	472.40	610.30	427.65
Total Revenue	55466.44	48982.10	55494.53	49061.50
Total Expenses	54759.12	48338.35	54774.06	48414.99
Profit/(Loss) before exceptional and extraordinary items and tax	707.32	643.75	720.47	646.50
Exceptional Items	0.00	0.00	0.00	0.00
Extraordinary Items	0.00	0.00	0.00	0.00
Net Profit Before Tax	707.32	643.75	720.47	646.50
Provision for Tax				
- Current Tax	220.00	213.00	224.85	213.00
- Deferred Tax (Liability)/Assets	2.42	0.56	3.11	(0.47)
- Excess/(short) provision for earlier years	13.36	0.42	13.24	0.42
Net Profit After Tax	471.54	429.77	479.27	433.55
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	471.54	429.77	479.27	433.55
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)	471.54	429.77	479.27	433.55
Earnings per equity share (for continuing operation):				
- Basic (In ₹)	2.26	2.06	2.30	2.08
- Diluted (In ₹)	2.26	2.06	2.30	2.08

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REVIEW OF OPERATIONS

Standalone:

During the year under review, the Standalone total Income was ₹ 55466.44 Lakhs as against ₹ 48982.10 Lakhs for the corresponding previous year.

Total Comprehensive income for the period was ₹ 471.54 Lakhs as against ₹ 429.77 in the corresponding previous year.

Consolidated:

During the year under review, the Consolidated total Income was ₹ 55494.53 Lakhs as against ₹ 49061.50 for the corresponding previous year.

Total Comprehensive Consolidated income for the period was ₹ 479.27 Lakhs as against ₹ 433.55 Lakhs in the corresponding previous year.

TRANSFER TO RESERVES

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

COMPANY'S PERFORMANCE AND FUTURE OUTLOOK

- The shrinking business potential on a long term basis is a cause for concern. Import of gold are coming down in volume terms does not auger well for the growth of the industry.
- Highly fluctuating gold price movement both on account of international price of gold and also on account of INR behavior vs. US\$.
- Extra ordinary Government regulations deployed to control the business in all aspects.
- The effect of 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.

DIVIDEND

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

SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2019 is ₹ 22,00,00,000.00 divided into 2,20,00,000 Equity Shares of ₹ 10.00 each.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on 31st March, 2019 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

• **Inductions / Appointment or Re-appointment of Director:**

At the 26th Annual General Meeting held on September 26, 2018, Mr. Mahendra M. Chordia was re-appointed as the Director of the Company, liable to retire by rotation.

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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.

Further on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Durgesh Kumar Kabra (DIN: 00017670) and Mr. Deep Shailesh Lakhani (DIN: 08018001) as an Additional (Independent) Directors in their meeting held on 18th October, 2018, in pursuant to section 161 of the Companies Act, 2013 read with Articles of Association of the Company, who shall hold the office until the 27th Annual General Meeting.

The resolutions for confirming the appointment of Mr. Durgesh Kumar Kabra (DIN: 00017670) and Mr. Deep Shailesh Lakhani (DIN: 08018001) as Independent Directors, forms part of the Notice convening the 27th Annual General Meeting ('AGM') scheduled to be held on 26th September, 2019. We seek your support and hope you will enthusiastically vote in confirming their appointment to the Board.

- **Cessation of Directorship:**

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

Sr. No.	Name of the Director	Designation	Date of Resignation
1	Mr. Vishal Roshanlal Nolkha	Independent Director	18th October, 2018
2	Mr. Ashok Surana	Independent Director	18th October, 2018

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 (Resigned w.e.f. 17th January, 2019)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis; and

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- (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.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Director(s) have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 8 (Eight) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

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

COMPOSITION OF AUDIT COMMITTEE

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

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

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

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

NOMINATION AND REMUNERATION POLICY

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

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

During the year, there have been no changes to the Policy. The same is annexed to this report as Annexure I and is available on our website www.swarnsarita.in.

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

PARTICULARS OF EMPLOYEES

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

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

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

EXTRACT OF ANNUAL RETURN:

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

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DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

STATUTORY AUDITORS' AND AUDITORS' REPORT

The Members of the Company at the Annual General Meeting ('AGM') held on 22nd September, 2014 approved the appointment of M/s. Suresh Anchaliya & Co., Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. Suresh Anchaliya & Co. will complete their present term on conclusion of ensuing AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), proposed to appoint of M/s Banshi Jain & Associates, Chartered Accountants (Firm Registration No.100990), as the Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of the 32nd AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s. M/s Banshi Jain & Associates, Chartered Accountants, for the financial year 2019-20 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Banshi Jain & Associates, Chartered Accountants, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s Banshi Jain & Associates, have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Hence, the Notice convening the ensuing 27th AGM contains a resolution of appointment of Statutory Auditors.

SECRETARIAL AUDIT

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

EXPLANATION(S)/ COMMENT(S) PURSUANT TO SECTION 134(3)(f)(i)& (ii), IF ANY, OF THE COMPANIES ACT, 2013:

Explanation pursuant to Section 134(3)(f)(i):

There are no adverse remarks/Qualifications made in Statutory Report issued by Statutory Auditor of the Company.

Explanation pursuant to Section 134(3)(f)(ii):

1. Non-Compliance for appointment of Company Secretary for the aforesaid Audit period.

Reply:

The Management is looking out for suitable candidate to be appointed as an Internal of the Company.

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.

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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, 2019.

EMPLOYEES' STOCK OPTION PLAN

The Company has not provided stock options to any employee.

RISK MANAGEMENT POLICY

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

The Company does not fall under the ambit of top 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.

DEPOSITS

The Company has not accepted nor renewed any fixed deposits during the FY 2018-2019.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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).

INSURANCE

The properties/assets of the Company are adequately insured.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since your Company does not fall under the threshold laid down in section 135 of the Companies Act, 2013, the provision of section 134(3)(o) of the Companies Act, 2013 is not applicable and no disclosure is required by the Board.

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.

CORPORATE GOVERNANCE CERTIFICATE

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.

In compliance with Regulation 34(3) read with Schedule V(C) of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance forms part of this Annual Report. The Certificate as issued by Practicing Company Secretary certifying compliance with the conditions of corporate governance as prescribed under Schedule V(E) of the SEBI (LODR) Regulations, 2015, is annexed to the Corporate Governance Report as Annexure VIII.

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

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

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

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

(a) Conservation of Energy -

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

(b) Absorption of Technology -

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

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

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

(d) Foreign Exchange Earnings and Outgo -

(Amt. in Lakhs)

Name of the Director	F.Y 2018-2019	F.Y 2017-2018
C.I.F. Value of Imports	Nil	Nil
F.O.B. Value of Exports	24323.27	19987.58

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. Accordingly, the Company has transferred unclaimed dividend eligible to IEPF authority within statutory timelines.

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.

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

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

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

SECRETARIAL STANDARDS

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

LISTING WITH STOCK EXCHANGE

The shares of the Company are listed on BSE only.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

PREVENTION OF INSIDER TRADING

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

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ANNEXURE - I

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;

SWARNSARITA GEMS LTD.

- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the 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.

SWARNSARITA GEMS LTD.

ANNEXURE II

Particulars of Employee

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

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Name of the Directors	Remuneration of each Director for the F.Y. 2018-19 in (₹)	Ratio of remuneration of each Directors to Median remuneration of employees
Mr. Mahendra M. Chordia	72,00,000.00	38.92:1
Mr. Sunny M. Chordia	48,00,000.00	25.94:1
Mrs. Seema R. Chordia	24,00,000.00	12.97:1

- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the Financial Year 2018-19.

Name & Designation	Remuneration of each Director & KMP for Financial Year 2018-19 (₹)	% increase/ (decrease) in remuneration in the Financial Year 2018-19
Mr. Mahendra M. Chordia (MD)	72,00,000.00	60
Mr. Sunny M. Chordia (WTD)	48,00,000.00	0
Mrs. Seema R. Chordia (WTD)	24,00,000.00	0
Mr. Sanket Dangi, (CFO)	14,74,000.00	34
*Ms. Prafulla Devaliya, (CS)	3,53,855.00	0

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

*Resigned w.e.f. 17th January, 2019

Notes:

1. Median remuneration of all the employees of the Company for the financial year 2018-2019 is ₹ 1,85,000.00.
- iii. The percentage increase in the median remuneration of employees in the financial year 2018-2019

Particulars	Financial Year 2018-19 (₹)	Financial Year 2017-18 (₹)	Increase (%)
Median remuneration of all employees	1,85,000.00	1,86,000.00	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 178 permanent employees on the roll of Company as on March 31, 2019.

- 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: (0.54)%
 - Average increase in the remuneration of KMPs: 76.58%

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

SWARNSARITA GEMS LTD.

ANNEXURE III

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

Names of employees	Designation/ Nature of Duties	Remunerat- on Received [₹] p.a.	Qualification	Exp- rience in years	Age in years	Date of commen- cement of employment	Last employ- ment held	% of share- holding
Mr. Sunny Mahendra Chordia	Whole-time Director	24,00,000.00	Master in Global Management	3 year	26	17/10/2017	Swarnsarita Gems Ltd	1.00
Mr. Mahendra Madanlal Chordia	Managing Director	72,00,000.00	Graduate	22 Years	51	07/03/2011	Swarnsarita Jewellers Private Limited	1.69
Ms. Seema Rajendra Chordia	Whole-time Director	24,00,000.00	HSC	12 Years	44	17/10/2017	Swarnsarita Gems Ltd	NIL
Mr. Sanket Dangi	CFO	14,74,000.00	MBA	5 Years	32	05/07/2015	ICICI BANK LTD	NIL
Mrs. Rajul Chordia	Kolkata Designer Jewellery Analyst	28,80,000.00	Graduate	1 years	24	01/04/2018	NIL	NIL
Mr. Lalit S Chordia	V.P. Diamond Division	13,50,000.00	Graduate	14 Years	40	01/10/2012	NA	NIL
Mr. Rajendra M Chordia	V.P. Gold division	24,00,000.00	Graduate	16 Years	45	01/07/2017	Swarnsarita Jewellers Private Limited	0.45
Ms. Nishita Chordia	V.P. Manufacturing Division	24,00,000.00	Graduate	1 Years	21	01/04/2018	NA	NIL
Mrs. Asha M Chordia	Design Research Analyst	24,00,000.00	HSC	10 Years	47	17/10/2017	Swarnsarita Jewellers Private Limited	NIL
Mr. Pankaj K Kharwad	President Manufacturing Division	13,75,000.00	Graduate	14 Years	42	01/07/2011	N.A.	NIL

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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)
Mr. Rajul Chordia	Mr. Sunny M Chordia (Wife)
Mr. Rajendra M Chordia	Mrs. Seema R Chordia (Husband) Mr. Mahendra M Chordia (Brother)
Mrs. Nishita Chordia	Mr. Mahendra M Chordia (Father) Mr. Sunny M Chordia (Brother)

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

SWARNSARITA GEMS LTD.

Annexure - IV

FORM AOC-I

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

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

Part "A": Subsidiaries

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

1.	Sl. No.	1
2.	Name of the subsidiary	M/s. Swarnsarita Realty Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2019
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5.	Share capital	1000.00
6.	Reserves & surplus	21.87
7.	Total assets	2193.71
8.	Total Liabilities	2193.71
9.	Investments	0.00
10.	Turnover	59.51
11.	Profit before taxation	13.15
12.	Provision for taxation	5.42
13.	Profit after taxation	7.73
14.	Proposed Dividend	0
15.	% of shareholding	100%

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

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Part “B”: Associates and Joint Ventures

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

SWARNSARITA GEMS LTD.

Annexure -V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

SEGMENT WISE PERFORMANCE OF THE COMPANY

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

OUTLOOK

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

RISK AND CONCERNS

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

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ANNEXURE - VI

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

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

To
The Members
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 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, (subject to the observations mentioned in this report) in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (to the extent as may be applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 (Not Applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not Applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not Applicable to the Company during the Audit Period);
- (vi) There were no other specific laws applicable to the Company, taking into consideration the business operations of the Company

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

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

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

- During the year ended, the Company was unable to fill up the casual vacancy of Company Secretary incurred by the Company w.e.f. 17th January, 2019.

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**

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

**Place : Mumbai
Date :14.08.2019**

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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**

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

**Place : Mumbai
Date :14.08.2019**

SWARNSARITA GEMS LTD.

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	Remu-neration	Rent Agreement renewed for Two Years w.e.f 01.04.2017	Rent	Remu-neration	Remu-neration	Remu-neration
c)	Duration of the contracts/ arrangements/transaction	5 Years	2 years	2 years	Not Applicable	5 Years	From 18/10/2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 4.00 Lakhs P.M.	₹ 1,00,000/- P.M.	₹ 1,50,000/- P.M.	₹ 2.00 Lakhs .M.	₹ 2.00 Lakhs .M.	₹ 2.40 Lakhs
e)	Date of approval by the Board	28.05.2016	29.05.2017	30.12.2015	01.07.2017	01.07.2017	14.11.2017
f)	Amount paid as advances, if any	-	-	-	-	-	-

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

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EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS	
CIN	L36911MH1992PLC068283
Registration Date	25-08-1992
Name of the Company	Swarnsarita Gems Ltd.
Category/Sub –Category of the Company	Company Limited By Share/Non Govt Company
Address of the Registered Office and contact details	125/127,Daya Mandir,6th Floor,Room No.5-10,Mumbadevi Road,Mumbai-400003, 022-43590000
Whether listed company	Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Private Limited C-101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai – 400083, Maharashtra, India. Tel: 2851 5606/ 5644

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company	CIN	Holding /Subsidiary/ Associate	Applicable section
1.	Swarnsarita Realty Pvt Ltd Office No.115,Panchratna CHS,Opera House, Mama Parmanand Marg, Mumbai-400004	U45400MH2012PTC232896	SUBSIDIARY	100%

D. SHARE HOLDING PATTERN

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0		0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	9357187	0	9357187	44.821	9357187	0	9357187	44.821	0
e) FIINS / BANKS.	0	0	0	0	0	0	0	0	0

SWARNSARITA GEMS LTD.

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other		0			0				
Sub-total (A) (1):-	9357187	0	9357187	44.821	9357187	0	9357187	44.821	0
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0		0	0
(b). Other Individual		0				0		0	0
(c). Bodies Corporates		0				0		0	0
(d). Banks / FII		0				0		0	0
(e). Qualified Foreign Investor		0				0		0	0
(f). Any Other Specify		0				0		0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	9357187	0	9357187	44.821	9357187	0	9357187	44.821	0
B. Public Shareholding									
(a). Mutual Funds		0				0		0.000	
(b). Banks / FI		0				0		0.000	
(c). Central Govt.	279333	0	279333	1.338	315518	0	315518	1.511	0.173
(d). State Govt.		0				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 Capital Funds		0				0		0.000	
(i). Others (specify)		0				0		0.000	
Sub-total (B)(1):-	279333	0	279333	1.338	315518	0	315518	1.511	0.173
2. Non-Institutions									
a) Bodies Corp. & LLP									
i) Indian	1511690	2000	1513690	7.251	793870	0	793870	3.803	-3.448
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	1683245	393925	2077170	9.950	1695845	354625	2050470	9.822	-0.128

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Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	7466904	0	7466904	35.767	8243067	0	8243067	39.484	3.717
c) Others (specify)									
Non Resident Indians	44097	41800	85897	0.412	35907	38900	74807	0.359	-0.053
Overseas Corporate Bodies		0				0		0	0
Foreign Nationals	200	0	200	0.001	200	0	200	0.001	0
Clearing Members	96419	0	96419	0.462	41681	0	41681	0.200	-0.262
Trusts		0				0		0	0
Foreign Boodies - D R		0				0		0	-0.08
Sub-total (B)(2):-	10802555	437725	11240280	53.843	10810570	393525	11204095	53.669	-0.174
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11081888	437725	11519613	55.181	11126088	393525	11519613	55.180	-0.001
C. Shares held by Custodian for GDRs & ADRs		0				0			0
Grand Total (A+B+C)	20439075	437725	20876800	100.00	20483275	393525	20876800	100.00	0

Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	'SWARNSARITA JEWELLERS PVT LTD	9357187	44.821	30	9357187	44.821	30	0

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

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	

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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	663271	3.177	01-04-2018				
	-Closing Balance			31-03-2019		No Change	663271	3.177
2	JAGDISH-CHANDRA JAJOO	483700	2.317	01-04-2018				
	-Closing Balance			31-03-2019		No Change	483700	2.317
3	GRACEUNITED REAL ESTATE PRIVATE LIM	382233	1.831	01-04-2018				
	-Closing Balance			31-03-2019		No Change	382233	1.831
4	SHIVAJIRAO S JONDHALE	370855	1.776	01-04-2018				
	-Closing Balance			31-03-2019		No Change	370855	1.776
5	PIYUSH DILIP NABERA	370523	1.775	01-04-2018				
				07-12-2018	150	Buy	370673	1.776
	-Closing Balance			31-03-2019			370673	1.776
6	MAHENDRA MADANLAL CHORDIA	0	0	01-04-2018				
				27-07-2018	49500	Buy	49500	0.237
				25-01-2019	8300	Buy	57800	0.277
				08-03-2019	100000	Buy	157800	0.756
				15-03-2019	190000	Buy	347800	1.666
				29-03-2019	6180	Buy	353980	1.696
	-Closing Balance			31-03-2019			353980	1.696

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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
7	INVESTOR EDUCATION AND PROTECTION F	279333	1.338	01-04-2018				
				25-01-2019	36185	Buy	315518	1.511
	-Closing Balance			31-03-2019			315518	1.511
8	LUXMI KANT GUPTA	307437	1.473	01-04-2018				
				15-02-2019	2798	Buy	310235	1.486
	-Closing Balance			31-03-2019			310235	1.486
9	ASHA M CHORDIA	0	0	01-04-2018				
				22-03-2019	100000	Buy	100000	0.479
				29-03-2019	130700	Buy	230700	1.105
	-Closing Balance			31-03-2019			230700	1.105
10	SUNNY MAHENDRA CHORDIA	0	0	01-04-2018				
				22-03-2019	111893	Buy	111893	0.536
				29-03-2019	97910	Buy	209803	1.005
	-Closing Balance			31-03-2019			209803	1.005
11	KISHANLAL LIKHAMICHAND BOTHRA HUF	208262	0.998	01-04-2018				
	-Closing Balance			31-03-2019		No Change	208262	0.998
12	SPARKLE SECURITIES SOLUTIONS PVT LT	356500	1.708	01-04-2018				
				06-04-2018	35600	Buy	392100	1.878
				13-04-2018	-29614	Sold	362486	1.736
				20-04-2018	114	Buy	362600	1.737
				18-05-2018	-156500	Sold	206100	0.987

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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
				25-05-2018	800	Buy	206900	0.991
				01-06-2018	100	Buy	207000	0.992
				08-06-2018	100	Buy	207100	0.992
				22-06-2018	1659	Buy	208759	1
				06-07-2018	53041	Buy	261800	1.254
				20-07-2018	50	Buy	261850	1.254
				10-08-2018	-50	Sold	261800	1.254
				31-08-2018	12000	Buy	273800	1.312
				14-09-2018	100	Buy	273900	1.312
				05-10-2018	-7370	Sold	266530	1.277
				12-10-2018	100	Buy	266630	1.277
				16-11-2018	-61800	Sold	204830	0.981
				30-11-2018	-4680	Sold	200150	0.959
				07-12-2018	-150	Sold	200000	0.958
	-Closing Balance			31-03-2019			200000	0.958
13	ANKUR J SHAH	214750	1.029	01-04-2018				
				06-04-2018	-54750	Sold	160000	0.766
				30-06-2018	54750	Buy	214750	1.029
				06-07-2018	-54750	Sold	160000	0.766
				22-03-2019	2250	Buy	162250	0.777
	-Closing Balance			31-03-2019			162250	0.777

Shareholding of Directors and Key Managerial Personnel

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

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INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1054799847	0.00	0.00	1054799847
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)	1054799847	0.00	0.00	1054799847
Change in Indebtedness during the financial year				
* Addition	7280222385	0.00	0.00	7280222385
* Reduction	7025831989	0.00	0.00	7025831989
Net Change	254390396	0.00	0.00	254390396
Indebtedness at the end of the financial year				
i) Principal Amount	1309190243	0.00	0.00	1309190243
ii) Interest due but not paid		0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1309190243	0.00	0.00	1309190243

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. no.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Mahendra M. Chordia (MD)	Mr. Sunny M. Chordia (WTD)	Mrs. Seema R. Chordia (WTD)	
1	Gross salary	7,200,000.00	4,800,000.00	2,400,000.00	14,400,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	7,200,000.00	4,800,000.00	2,400,000.00	14,400,000.00
	Ceiling as per the Act	8,400,000.00	8,400,000.00	8,400,000.00	

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B. Remuneration to other directors:

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

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	353,855.00	1,474,000.00	1827855.000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	353,855.00	1,474,000.00	1827855.000

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place : Mumbai
Date :14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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

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

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ANNEXURE - VI

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

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

1. As on March 31, 2019, 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 2018-2019, 08 (Eight) Board Meetings were held on 17/05/2018, 29/05/2018, 02/07/2018, 14/08/2018, 25/08/2018, 18/10/2018, 03/11/2018 and 13/02/2019 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, 2018, 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, 2019	Attendance at previous AGM Held on 26.09.2018 (Y-Yes, N-No)	Directorship in other Companies (Including Private Companies)		Committee Membership(s) of other Companies	
					Listed	Other Companies	Chairman-ship	Member-ship
Mr. Mahendra M. Chordia	Managing Director	8	NIL	Yes	NIL	2		
Mr. Sunny M. Chordia	Whole Time Director	8	NIL	Yes	NIL	1	NIL	NIL
Mrs. Seema R. Chordia	Whole Time Director	8	NIL	Yes	NIL	NIL	NIL	NIL
Mr. Ashok Surana (Resigned w.e.f. 18th Oct, 2018)	Non Executive Independent Director	5	NIL	No	NIL	1	NIL	NIL
Mr. Dhruvin B. Shah	Non-Executive Independent Director	8	NIL	Yes	NIL	NIL	NIL	NIL
Mr. Vishal Nolkha (Resigned w.e.f. 18th Oct, 2018)	Non-Executive Independent Director	5	NIL	No	NIL	NIL	NIL	NIL

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Name of the Director	Category	No. of Board Meetings Attended during the year	No. of Equity Shares held as on March 31, 2019	Attendance at previous AGM Held on 26.09.2018 (Y-Yes, N-No)	Directorship in other Companies (Including Private Companies)		Committee Membership(s) of other Companies	
					Listed	Other Companies	Chairmanship	Membership
Mr. Deep Shailesh Lakhani (Appointed w.e.f. 18th Oct, 2018)	Non-Executive Independent Director	3	NIL	No	NIL	Nil	NIL	3
Durgesh Kumar Kabra (Appointed w.e.f. 18th Oct, 2018)	Non-Executive Independent Director	1	NIL	No	1	2	Nil	3

- 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.
- The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (www.swarnsarita.com)
- During the year 2018-19, one meeting of the Independent Directors was held on March 20, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.
- The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- The details of the familiarization programme of the Independent Directors are available on the website of the Company.
- 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 include:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- 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.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.

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- 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, 2019, which are as follows:

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 2018-19, 4 (Four) meetings of the Audit Committee were held on 29/05/2018, 14/08/2018, 03/11/2018 and 14/02/2019. 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.
	<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) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> 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.

SWARNSARITA GEMS LTD.

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
	<ul style="list-style-type: none"> Evaluation of internal financial controls and risk management systems. 	Mr. Vishal Nolkha (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> During the Financial Year 2018-19, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 29/05/2018, 14/08/2018, 03/11/2018 and 14/02/2019.
	<ul style="list-style-type: none"> Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. 	Mr. Deep Shailesh Lakhani (Member) (Appointed w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> The Company does not have any Employee Stock Option Scheme.
	<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. 	Durgesh Kumar Kabra (Member) (Appted w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> Details of Performance Evaluation Criteria and Remuneration Policy are detailed below this table.
Nomination and Remuneration Committee	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.	Name	Category	<ul style="list-style-type: none"> During the Financial Year 2018-19, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 29/05/2018, 14/08/2018, 03/11/2018 and 14/02/2019.
	<ul style="list-style-type: none"> Recommend to the Board the setup and composition of the Board and its committees. 	Mr. Ashok Surana (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> The Company does not have any Employee Stock Option Scheme.
	<ul style="list-style-type: none"> Recommend to the Board the Appointment / Re-appointment of Directors and Key Managerial Personnel. 	Mr. Vishal Nolkha (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> Details of Performance Evaluation Criteria and Remuneration Policy are detailed below this table.

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
	<ul style="list-style-type: none"> 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. 	Mr. Deep Shailesh Lakhani (Member) (Appointed w.e.f. 18th Oct, 2018)	Independent, Non-Executive	
	<ul style="list-style-type: none"> Recommend to the Board the R e m u n e r a t i o n Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees. 	Durgesh Kumar Kabra (Member) (Appted w.e.f. 18th Oct, 2018)	Independent, Non-Executive	
	<ul style="list-style-type: none"> 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. 			
	<ul style="list-style-type: none"> Oversee familiarization programmes for directors. 			
	<ul style="list-style-type: none"> Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies. 			

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
Stakeholders Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with section 178 of the Companies Act, 2013.	Mr. Dhruvin B. Shah (Chairman)	Independent, Non-Executive	<ul style="list-style-type: none"> During the Financial Year 2018-19, 4 (Four) Meeting of the Stakeholders Relationship Committee was held on 29/05/2018, 14/08/2018, 03/11/2018 and 14/02/2019.
		Mr. Ashok Surana (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	<ul style="list-style-type: none"> Details of Investor complaints and Compliance Officer are given below this table.
		Mr. Vishal Nolkha (Member) (Resigned w.e.f. 18th Oct, 2018)	Independent, Non-Executive	
		Mr. Deep Shailesh Lakhani (Member) (Appointed w.e.f. 18th Oct, 2018)	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 decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective April 1, each year. The Nomination and Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a director,

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commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

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

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

a. Remuneration paid to the Managing Director as on March 31, 2019:

(₹ in Lakhs)

Name of Managing Director	Remuneration for FY 2018-19	Benefits, Perquisites and Allowances	Commission	ESPS	Total
Mr. Mahendra Madanlal Chordia	72.00	NIL	NIL	NIL	72.00

b. Remuneration of the Executive Directors

The Remuneration Committee of the Board is authorized to decide the remuneration of the Whole Time Directors (WTD) and others Executive Directors subject to the approval of the Members and the Central Government, if required. The details of remuneration of the WTD and others Directors for the year ended March 31, 2019 are as under:

(₹ in Lakhs)

Director	Remuneration for FY 2018-19	Benefits, Perquisites and Allowances	Commission	ESPS	Total
Mr. Sunny M. Chordia (Whole Time Director)	48.00	NIL	NIL	NIL	48.00
Mrs. Seema R. Chordia (Whole Time Director)	24.00	NIL	NIL	NIL	24.00

STAKEHOLDERS RELATIONSHIP COMMITTEE DETAILS:-

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

Details of complaints received and resolved during the Financial Year 2018-19:

Particulars	Number of Compliant
Opening as on April 1, 2018	0
Received during the year	7
Resolved during the year	7
Closing as on March 31, 2019	0

• TRAINING FOR BOARD MEMBERS

The Company has put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of

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

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

• PERFORMANCE EVALUATION

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

DISCLOSURES

i. Related Party Transactions

The transactions with related parties as per Ind AS are set out in Notes to accounts under Note no. 21 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 2018-19.

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

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field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

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

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

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, 2019, 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,

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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 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, 2019.

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• GENERAL BODY MEETINGS

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

Financial Year	Date of the AGM	Location	Time	Special Resolution passed
2015-2016	22nd September, 2016	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	5
2016-2017	26th September, 2017	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	3
2017-2018	26th September, 2018	Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077.	10.00 A.M.	1

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	26th September, 2019
Time	10.00 a.m.
Venue	Balbhavan, Ghatkoper Balkanji Bari, opp. Rajawadi Garden, Ghatkopar (East), Mumbai – 400077, Maharashtra, India

ii. Financial year

April 01 to March 31

Financial Calendar (Tentative) – Financial Year 2019-2020

1st Quarter	First/Second Week of August, 2019
2nd Quarter	First/Second Week of November, 2019
3rd Quarter	First/Second Week of February, 2019
4th Quarter	Third/fourth Week of May, 2020

iii. Dates of Book Closure (both days inclusive)

Thursday, September 19, 2019 to Thursday, September 26, 2019.

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 2018-2019.

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v. Listing on Stock Exchange and Payment of Listing Fees

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

vi. Custodian Fees to Depositories

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

vii. (a) Stock Code / Symbol

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

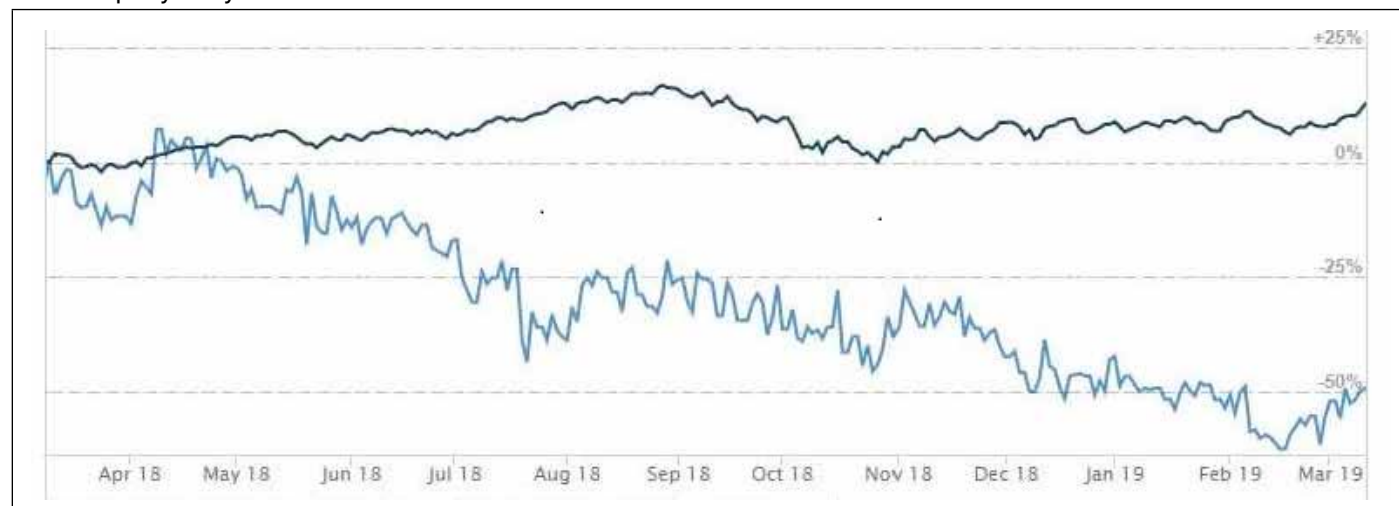
Market Price Data

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

Year	Month	High (In ₹)	Low (In ₹)	No. of Shares
2018	April	22.80	15.90	2,81,062
	May	20.95	14.65	1,03,195
	June	17.90	12.70	60,605
	July	16.50	9.55	1,37,082
	August	16.00	10.28	70,525
	September	15.58	10.40	38,609
	October	13.70	9.76	89,834
	November	14.40	10.78	1,09,994
	December	11.84	8.35	55,286
2019	January	11.50	8.30	83,926
	February	6.40	8.39	72,151
	March	13.96	8.00	10,03,263

Performance in comparison:

The company Fully Paid Share Price versus BSE Sensex:



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viii. Registrar & Transfer Agent

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

ix. Share Transfer System

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

Share Holding(Nominal Value) ₹	Nominal Capital		Nominal Capital	
	No.	%	No.	%
Upto 5,000	5419	87.417	7180140	3.439
5,001-10,000	318	5.13	2640860	1.265
10,001-20,000	152	2.452	2444700	1.171
20,001-30,000	82	1.323	2134860	1.023
30,001-40,000	30	0.484	1080270	0.517
40,001-50,000	32	0.516	1528690	0.732
50,001-1,00,000	65	1.049	4772620	2.286
100,001 and above	101	1.629	186985860	89.566
TOTAL	6199	100	208768000	100.00

xi. Shareholding Pattern as on 31st March, 2019.

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	7,93,870	3.80
NRIs / OCBs	74807	0.36
Indian Public	10293737	49.31
Clearing Members	41681	0.20
IEPF	315518	1.51
Total	20876800	100.00

xii. Dematerialization of Shares and Liquidity

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

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Shares held in dematerialized and physical form as on March 31, 2019

	No. of Share Capital	% to Total Share Capital
Dematerialized Form		
NSDL	5031056	24.10
CDSL	15452219	74.01
Physical Form	393525	01.89
Total	20876800	100.00

xiii. Address for Correspondence

Swarnsarita Gems Limited
125/127, Daya Mandir, 6th Floor,
Room No. 5 to 10, Mumbadevi,
Mumbai – 400003, Maharashtra, India
Tel. no.: 022-43590000
Fax. No.: 022-4359001
Email id: info@swarnsarita.com
Website: www.swarnsarita.com

Place : Mumbai
Dated : 14.08.2019

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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 of
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 125/127, Daya Mandir, 6th Floor, Room No. 5 to 10, Mumbadevi, Mumbai – 400003, Maharashtra, India, for the year ended on March 31, 2019, 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, 2019.

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 : 29.05.2019

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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, 2019 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

Place : Mumbai
Date : 14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

Sanket Dangi
CFO

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, 2019, 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

For Swarnsarita Gems Limited

Place : Mumbai
Date : 14.08.2019

Mahendra M. Chordia
Managing Director
DIN: 00175686

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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF SWARNSARITA GEMS LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

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, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition (Refer note no. 4 of notes forming part of standalone financial statement)	
Accuracy of recognition, measurement, presentation and disclosures of revenues	Our audit procedures with regard to revenue recognition included testing controls, verification of delivery notes, confirmation from customers, verification of stock statements, and inventory reconciliations.

We have determined that there are no other key audit matters to communicate in our report.

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

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

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

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

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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 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 financial statements.

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.

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- (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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial 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.

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

**Date : 29/05/2019
Place: Mumbai**

**Suresh Anchaliya
Partner
M.No. : 044960**

SWARNSARITA GEMS LTD.

“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, 2019, 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 ₹ 95.56 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 hence the loans are repayable on demand.
- (c) As the loan granted to wholly owned subsidiary company “Swarnsarita Realty Private Limited” is repayable on demand 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 2019 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.

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

**Date : 29/05/2019
Place: Mumbai**

**Suresh Anchaliya
Partner
M.No. : 044960**

SWARNSARITA GEMS LTD.

“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, 2019 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, 2019, 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').

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

**Date : 29/05/2019
Place: Mumbai**

**Suresh Anchaliya
Partner
M.No. : 044960**

SWARNSARITA GEMS LTD.

(in ₹ lakhs)

Standalone Balance Sheet as at	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	153.84	147.29
Intangible Assets	2	0.32	0.36
Financial Assets			
Investments	3	1000.00	1000.00
Loans and Advances	4	1116.53	1071.54
Tax Assets (Net)	6	486.56	671.32
Other Non-Current Assets	7	58.73	24.73
Total Non-Current Assets		2815.98	2915.23
Current Assets			
Inventories	8	10249.45	7785.56
Financial Assets			
Investments	3	10.45	5.18
Trade Receivables	9	6305.96	5208.19
Cash and Cash Equivalents	10	4051.78	4498.11
Other Current Assets	7	19.40	22.39
Total Current Assets		20637.03	17519.44
Total Assets		23453.02	20434.67
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2083.76	2083.76
Other Equity		7255.99	6784.45
Total Equity		9339.75	8868.21
Liabilities			
Non -Current Liabilities			
Deferred Tax Liabilities	5	5.09	2.67
Total Non-Current Liabilities		5.09	2.67
Current liabilities			
Financial liabilities			
Borrowings	12	13091.90	10547.99
Trade payable	13	354.79	254.72
Other financial liabilities	14	425.93	537.68
Other Current Liabilities	15	15.56	10.40
Current Tax Liabilities (Net)	16	220.00	213.00
Total Current Liabilities		14108.18	11563.80
Total Equity and Liabilities		23453.02	20434.67

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

Durgesh Kabra
Director
DIN: 00017670

Dhruvin Bharat Shah
Director
DIN: 07528387

Sunny Mahendra Chordia
Director
DIN: 06664041

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial Officer

Deep Shailesh Lakhani
Director
DIN: 08018001

Place: Mumbai

Date: May 29, 2019

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(in ₹ lakhs)

Statement of Profit and loss for the period ended on	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from operation	17	54823.73	48509.70
Other Income	18	642.71	472.40
Total Income		55466.44	48982.10
Expenses			
Cost of material consumed	19	53016.54	48246.09
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	20	62.75	-1132.77
Employee Benefit Expenses	21	621.34	454.90
Financial Costs	22	501.87	416.08
Depreciation and Amortization Expenses		18.88	18.79
Other Expenses	23	537.73	335.26
Total Expenses		54759.12	48338.35
Profit before tax		707.32	643.75
Tax Expense			
Current Tax		220.00	213.00
Tax for Earlier Year		13.36	0.42
Deferred Tax		2.42	0.56
Profit for the period		471.54	429.77
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		471.54	429.77
Earning per equity share			
Basic		2.26	2.06
Diluted		2.26	2.06

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

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: May 29, 2019

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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Executive Director
DIN: 00175804

Durgesh Kabra
Director
DIN: 00017670

Ashok Surana
Director
DIN: 02799316

Dhruvin Bharat Shah
Director
DIN: 07528387

Sanket Dangi
Chief Financial Officer

Sunny Mahendra Chordia
Director
DIN: 06664041

Deep Shailesh Lakhani
Director
DIN: 08018001

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, 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
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

(in ₹ lakhs)

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium reserve	General reserve	Retained earnings	Other items of other comprehensive income	
Balance as of April 1, 2018	2083.76	67.50	1368.10	49.46	5299.39	0.00	8868.21
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	471.54	0.00	471.54
Balance as of March 31, 2019	2083.76	67.50	1368.10	49.46	5770.93	0.00	9339.75

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

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: May 29, 2019

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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Seema R. Chordia
Executive Director
DIN: 00175804

Durgesh Kabra
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Chief Financial Officer
DIN: 08018001

Sunny Mahendra Chordia
Director
DIN: 06664041

Deep Shailesh Lakhani
Director
DIN: 08018001

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(in ₹ lakhs)

Statement of Cash Flow for the year ended	2019	2018
NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	707.32	643.75
Adjustment for :		
Depreciation	18.88	18.79
Gain/Loss on Investments	(0.67)	(5.06)
Interest Expenses (Net)	288.92	189.83
Operating Profit Before Working Capital Changes	1,014.44	847.30
Net Change in		
Inventories	(2,463.88)	-
Trade Receivables	(1,097.77)	-
Loans	(44.99)	-
Other Assets	153.76	-
Trade and other payable	100.07	-
Other financial liabilities	(111.75)	-
Other Liabilities	14.57	(0.01)
Cash Generated From Operations	(2,435.55)	847.29
Income Tax Paid	(235.78)	(213.98)
Net Cash From Operating Activities	-2671.34	633.30
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(25.40)	(12.25)
Purchase of Investments (net)	(10.00)	(5)
Proceeds from disposal/redemption of investments	5.40	323.90
Interest received	212.97	226.25
Proceeds from retirement of Partnership Firm	-	1.82
Net Cash Used In Investment Activities	182.97	534.73
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	2,543.92	-
Interest paid	(501.87)	(416.08)
Net Cash Used In Financing Activities	2,042.04	(416.08)
Net change in cash and cash equivalents	(446.33)	751.95
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	4,498.11	4,498.11
Cash And Cash Equivalents As At The End of the Year	4,051.78	4,498.11
Net Increase / (Decrease) As Disclosed Above	(446.33)	-
Note : All figures in brackets are outflows		

As per our report of even date

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

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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Durgesh Kabra
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Partner
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Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial Officer

Deep Shailesh Lakhani
Director
DIN: 08018001

Place: Mumbai

Date: May 29, 2019

SWARNSARITA GEMS LTD.

Notes to Financial Statement for the Year Ended 31st March, 2019

1. Property plant and equipment

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

(in ₹ lakhs)

Name of Assets	Cost				Depreciation			Carring Value	
	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Mettler Balances	6.78	0.37	0.00	7.15	5.03	0.84	5.87	1.29	1.75
Motor Cars	89.44	4.61	0.00	94.05	61.46	6.68	68.14	25.91	27.98
Office Equipments	18.72	1.83	0.00	20.55	8.98	3.80	12.78	7.77	9.74
Computers	15.11	1.27	0.00	16.38	13.93	0.43	14.36	2.03	1.18
Furniture & Fixtures	20.70	11.30	0.00	31.99	3.64	3.01	6.65	25.34	17.06
Plant & Machinery	45.84	6.01	0.00	51.85	7.57	3.23	10.80	41.05	38.26
Office Building	53.52	0.00	0.00	53.52	2.21	0.85	3.06	50.46	51.31
Total	250.11	25.40	0.00	275.51	102.82	18.84	121.66	153.84	147.29

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	Gross Carrying Value				Depericiation			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

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2. Intangible Assets

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

(in ₹ lakhs)

Name of Assets	Cost			As On 31.03.2019	Depericiation			Carring Value	
	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year		As On 01.04.2018	Depreciation during the year	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Trademark	0.36	0	0	0.36	0	0.036	0.036	0.324	0.36
Total	0.36	0	0	0.36	0	0.036	0.036	0.324	0.36

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

(in ₹ lakhs)

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

3. Investments

Particulars	As at 31.03.2019	As at 31.03.2018
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 ₹ 10 each, fully paid up		
	1000.00	1000.00
Current investments		
Investment Carried at fair value through profit and loss account (FVTPL)		
Liquid mutual fund units		
Union Mutual Fund	10.39	5.12
Equity investments		
SJ Corporation Limited of ₹ 1 each	0.06	0.06
400 quity shares of ₹ 1 each, fully paid up		
	10.45	5.18
Total carrying Value	1010.45	1005.18

SWARNSARITA GEMS LTD.

4. Loans

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current		
Unsecured, considered good		
Loan to related parties		
Wholly Owned subsidiary Swarnsarita Realty Private Limited	1094.87	1051.82
Others		
Nilkanth jewellers	21.65	19.72
	1116.53	1071.54

5. Deffered tax assets (Liabilities)

Property plant and equipment	5.09	2.67
	5.09	2.67

6. Tax assets (Net)

Income tax assets	172.79	130.21
Indirect tax assets	313.77	541.10
	486.56	671.32

7. Other assets

1. Non-current

Advances other than capital advances

Security Deposit	58.73	24.73
	58.73	24.73

2. Current

Capital Advances		
Advance for purchase of machinery	0.00	0.00
Advances other than capital advances		
Other advances		
Advance to supplier	16.92	19.33
Prepaid expenses	2.47	3.06
	19.40	22.39
Total other assets	78.13	47.12

8. Inventories

Raw Materials	4605.06	2078.42
Finished Goods	5644.39	5707.14
	10249.45	7785.56

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9. Trade receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured		
Considered good	6305.96	5208.19
Considered doubtful	0.00	0.00
	6305.96	5208.19

10. Trade receivables

Balances with banks		
Cash on hand	4.77	3.13
In current accounts	77.79	2151.47
In Fixed Deposits	3969.22	2343.50
	4051.78	4498.11

11. Equity share capital

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 31.03.2019 No. of Shares	As at 31.03.2018 No. of Shares
Outstanding at the Beginning of the Reporting Year		
Add: Issued During the year	20876800	20876800
Outstanding at the End of the Reporting Year	0	0
	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 31st March, 2019		As at 31st March, 2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	9,357,187	44.82	9357187	44.82

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12. Borrowing

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Secured, loans repayable on demand		
From Banks		
Union Bank of India (CC A/c) 1	1559.92	126.46
The Bank of Nova Scotia 2	1845.10	1833.16
Union Bank of India (Gold Loan)1	6762.34	6613.78
Yes Bank Bullion Account 3	2924.54	1974.58
	13091.90	10547.99

- 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 Yes Bank Limited.
- 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, Charge on all the present and future current assets and movable fixed assets, personal guarantee of directors of the company.

13. Trade receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Trade Payable	354.79	254.73
	354.79	254.73

14. Other Financial Liabilities

Current		
Expenses payables	408.93	467.27
Advance received from customer	17.00	70.40
	425.93	537.67

15. Other Liabilities

Current		
Statutory Taxes Payable	15.56	10.40
	15.56	10.40

16. Other Liabilities

Income tax liabilities	220.00	213.00
	220.00	213.00

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17. Revenue from operation

	(₹ in lakhs)	
Particulars	31 March 2019	31 March 2018
Sale of Goods	53,850.42	47,036.89
Labour Charges Received	973.31	1,472.81
	54,823.73	48,509.70

18. Other Income

Interest Income	212.96	226.25
Exchange difference	427.36	241.08
Gain/Loss on valuation of Shares and mutual fund at fair value	0.67	5.06
Rent Income	0.99	-
Bad Debts Receovery	0.50	-
Discount and Round off	0.24	-
	642.71	472.40

19. Cost of material consumed

Purchase of Goods	54,855.19	46,452.79
Labour Charges & Other Charges	687.99	830.60
<u>Add:- Opening Stock</u>		
Raw Material	2,078.42	3,041.12
Less:- Closing Stock		
Raw Material	4,605.06	2,078.42
Raw Material Consumed	53,016.54	47,283.39

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

Opening Balance of Inventory	5,707.14	4,574.37
Less: Closing Balance of Inventory	5,644.39	5,707.14
	62.75	(1,132.77)

21.Employee benefit expenses

Salaries and Wages ¹	606.53	446.05
Staff Welfare Expenses	14.81	8.85
	621.34	454.90

¹Salaries and wages includes director remuneration of ₹ 144 Lakhs.

22. Finance Costs

Interest Expenses	501.87	416.08
	501.87	416.08

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23. Other Expenses

Particulars	31 March 2019	31 March 2018
Advertising Expenses	0.86	1.05
Auditor Remuneration	5.75	3.80
Bad Debt	-	13.71
Brokerage and Commission	17.76	2.50
Business Promoion Expenses	21.13	0.00
Certification Charges	23.62	24.35
Computer Repair & Maintenance	0.39	1.10
Connectivity Charges	1.83	1.37
Conveyance Expenses	0.68	0.51
Consultancy Charges	0.48	0.40
Credit Rating Fees	2.49	2.75
Depository Charges	1.64	1.69
Designing Expenses	0.35	3.05
Discount, Rebate & Round off	0.90	(6.20)
Donation	0.23	6.00
Electricity Expenses	14.49	12.01
Exhibition Charges	70.16	71.56
Export Expenses	24.78	22.51
Factory Expense	3.91	-
Franking Charges	0.00	0.01
Freight Charges	69.42	23.00
Hire Charges	4.07	3.74
Insurance Expenses	10.33	11.22
Interest on Excise Duty	-	0.01
Interest on TDS	0.02	0.16
Late Fees and penalty on GST	0.37	0.47
Listing Fees	2.50	2.88
Internet Charges	1.74	0.85
Membership Fees	1.00	2.30
Manpower Service Charges	0.22	0.23
Office Expenses	4.93	4.72
Packing Materilal & Threads	1.27	2.25
Professional Tax	-	0.02
Postage Expenses	2.51	2.63
Prior period Expenses	2.35	2.15
Printing and Stationery	5.09	5.35
Professional Fees	56.17	21.50
Repair & Maintenance - others	3.44	2.62
ROC Fees	0.57	0.11
Rent	147.81	69.99
SEBI Penalty	17.16	0.00
Service Tax on Export Bank Charges	-	1.06
Security Service Charges	4.75	1.66

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Particulars	31 March 2019	31 March 2018
Software charges	0.73	0.18
Society Charges	0.61	1.02
Sundry Balances W/off	0.11	-
Telephone Expenses	2.45	3.22
Travelling Expenses	6.31	8.76
VAT Amount W/off	0.34	0.73
Valuation Charges	-	0.27
	537.73	335.26

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.

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.

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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 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.

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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 offsetting 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 assets.

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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 year end rate of gold on the London Metal Exchange as certified by the seller bank of the gold and difference so arrived is taken to the cost of purchase of goods.

D. Notes to the Accountants

16. 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, 2019 is as follows:

(in ₹ lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	4051.78	4051.78
Trade Receivables	0.00	6305.96	6305.96
Investments (other than in subsidiary)	10.45	0.00	10.45
Investments in subsidiary	0.00	1000.00	1000.00
Loans	0.00	1116.53	1116.53
Total	10.45	12474.27	12484.72
Financial Liabilities			
Trade payable	0.00	354.79	354.79
Borrowings	0.00	13091.90	13091.90
Other financial liabilities	0.00	425.93	425.93
Total	0.00	13872.62	13872.62

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

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, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	10.39	0.00	0.00	10.39
Equity shares	0.06	0.00	0.00	0.06
Total	10.45	0.00	0.00	10.45

(in ₹ lakhs)				
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
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

(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.

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(ii) Credit Risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by 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 11363.42 lakhs and 10708.34 lakhs as at March 31, 2019 and March 31, 2018 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, 2019 and two customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2018.

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

Name of Customer	Outstanding Amount (in ₹ Lakhs)	% to total receivables
No Such Customer		

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%

(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.

17. Earnings per equity share

Particulars	2019	2018
Profit for the year (in ₹ lakhs)	471.54	429.77
Weighted average number of equity shares	20876800	20876800
Earnings per share basic and diluted (in ₹)	2.26	2.06
Face value per equity shares (in ₹)	10	10

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18. Auditor Remuneration

	(in ₹ lakhs)	
Particulars	2019	2018
Service as Statutory Auditors	4	4
Tax Audit	0	1
Professional Fees for Other Matters	20	0

19. 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.

20. 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, 2019

	(in ₹ lakhs)			
Particulars	2019		2018	
	Outstanding as at March 31, 2019	Maximum amount outstanding during the year	Outstanding as at March 31, 2018	Maximum amount outstanding during the year
Swarnsarita Realty Private Limited	1094.87	1094.87	1051.82	1051.82

21. Related Party Transaction

Transaction with related parties are as follows:

Year ended March 31, 2019

	(in ₹ lakhs)			
Particulars	Subsidiaries of the company	Associates	Key management Personnel	Other Related Parties
Interest income	91.67	0.00	0.00	0.00
Rent Expenses	0.00	0.00	42.00	30.00
Loan/ Advance Given	95.56	0.00	0.00	0.00
Loan/Advance repayment received	55.50	0.00	0.00	0.00
Remuneration (Short term benefit)	0.00	0.00	144.00	100.80

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

Balance Receivables from Related parties are as follows:

SWARNSARITA GEMS LTD.

As at March 31, 2019

Particulars	Subsidiaries of the company	Associates	Key management Personnel	(in ₹ lakhs)
				Other Related Parties
Investments	1000.00	0.00	0.00	0.00
Loan/Advances	1094.87	0.00	0.00	0.00

Balance Receivables from Related parties are as follows:

As at March 31, 2018

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

Balance Payable to Related parties are as follows:

As at March 31, 2019

Particulars	Subsidiaries of the company	Associates	Key management Personnel	(in ₹ lakhs)
				Other Related Parties
Rent Payable	0.00	0.00	4.32	3.55
Salary Payable	0.00	0.00	0.00	3.54
Director Remuneration Payable	0.00	0.00	9.06	0.00

22. Dividends

The Company has not declared any dividend during the year.

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: May 29, 2019

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

Mahendra M. Chordia Managing Director DIN: 00175686	Durgesh Kabra Director DIN: 00017670	Dhruvin Bharat Shah Director DIN: 07528387	Sunny Mahendra Chordia Director DIN: 06664041
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Seema R. Chordia Executive Director DIN: 00175804	Ashok Surana Director DIN: 02799316	Sanket Dangi Chief Financial Officer	Deep Shailesh Lakhani Director DIN: 08018001
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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
SWARNSARITA GEMS LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SWARNSARITA GEMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition (Refer note no. 4 of notes forming part of consolidated financial statement)	
Accuracy of recognition, measurement, presentation and disclosures of revenues	Our audit procedures with regard to revenue recognition included testing controls, verification of delivery notes, confirmation from customers, verification of stock statements, and inventory reconciliations.

We have determined that there are no other key audit matters to communicate in our report.

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

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

SWARNSARITA GEMS LTD.

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

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

Management's Responsibility for the Consolidated 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 consolidated 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

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.

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- (d) In our opinion, the aforesaid consolidated 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial 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.

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

Date : 29/05/2019
Place: Mumbai

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, 2019 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, 2019, 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').

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

**Date : 29/05/2019
Place: Mumbai**

**Suresh Anchaliya
Partner
M.No. : 044960**

SWARNSARITA GEMS LTD.

		(in ₹ lakhs)	
Consolidated Balance Sheet as at	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	161.71	156.83
Intangible Assets	2	0.32	0.36
Financial Assets			
Investments	3	0.00	0.00
Loans and Advances	4	21.65	19.72
Deferred tax assets (Net)	5	0.00	0.00
Tax assets (Net)	6	490.65	672.83
Other Non-Current Assets	7	58.73	24.73
Total Non-Current Assets		733.06	874.47
Current Assets			
Inventories	8	11257.11	8793.22
Financial Assets			
Investments	3	10.45	5.18
Trade Receivables	9	6380.11	5266.01
Cash and Cash Equivalents	10	4059.71	4501.48
Other Current Assets	7	1111.42	1079.15
Total Current Assets		22818.79	19645.04
Total Assets		23551.85	20519.51
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2083.76	2083.76
Other Equity		7277.86	6798.59
Total Equity		9361.62	8882.35
Liabilities			
Non-current liabilities			
Defferd tax liabilities	5	5.24	2.94
Other Financial Liabilities	14	10.58	14.42
Total non-current liabilities		15.82	17.36
Current liabilities			
Financial liabilities			
Borrowings	12	13093.90	10547.99
Trade payable	13	354.79	254.73
Other financial liabilities	14	466.82	578.89
Other Current Liabilities	15	34.84	25.19
Current Tax Liabilities (Net)	16	224.06	213.00
Total Current Liabilities		14174.41	11619.79
Total Equity and Liabilities		23551.85	20519.51

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: May 29, 2019

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

Mahendra M. Chordia Managing Director DIN: 00175686	Durgesh Kabra Director DIN: 00017670	Dhruvin Bharat Shah Director DIN: 07528387	Sunny Mahendra Chordia Director DIN: 06664041
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Seema R. Chordia Executive Director DIN: 00175804	Ashok Surana Director DIN: 02799316	Sanket Dangi Chief Financial Officer	Deep Shailesh Lakhani Director DIN: 08018001
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(in ₹ lakhs)

Consolidated Statement of Profit and loss for the period ended on	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from operation	17	54884.23	48633.85
Other Income	18	610.30	427.65
Total Income		55494.53	49061.50
Expenses			
Purchase of Stock -in - Trade		0.00	0.00
Cost of material consumed	19	53016.54	48246.09
Changes in Inventories of Finished Goods, Stock - In - Trade and Work in progress	20	62.75	-1058.02
Employee Benefit Expenses	21	625.53	454.90
Financial Costs	22	501.87	416.13
Depreciation and Amortization Expenses		20.55	20.46
Other Expenses	23	546.82	335.43
Total Expenses		54774.06	48414.99
Profit before tax		720.47	646.50
Tax Expense			
Current Tax		224.85	213.00
Tax for Earlier Year		13.24	0.42
Deferred Tax		3.11	-0.47
Profit for the period		479.27	433.55
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		479.27	433.55
Earning per equity share			
Basic		2.30	2.08
Diluted		2.30	2.08

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

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

Mahendra M. Chordia Managing Director
DIN: 00175686

Seema R. Chordia
Executive Director
DIN: 00175804

Durgesh Kabra Director
DIN: 00017670

Ashok Surana
Director
DIN: 02799316

Dhruvin Bharat Shah Director
DIN: 07528387

Sanket Dangi
Chief Financial Officer

Sunny Mahendra Chordia Director
DIN: 06664041

Deep Shailesh Lakhani Director
DIN: 08018001

Place: Mumbai
Date: May 29, 2019

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, 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

(in ₹ lakhs)

Particulars	Equity Share Capital	Other equity					Total
		Capital reserve	Securities premium reserve	General reserve	Retained earnings	Other items of other comprehensive income	
Balance as of April 1, 2018	2083.76	67.50	1368.10	49.46	5313.53	0.00	8882.35
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	479.27	0.00	479.27
Balance as of March 31, 2019	2083.76	67.50	1368.10	49.46	5792.80	0.00	9361.62

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

As per our report of even date

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

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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Durgesh Kabra
Director
DIN: 00017670

Dhruvin Bharat Shah
Director
DIN: 07528387

Sunny Mahendra Chordia
Director
DIN: 06664041

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial Officer

Deep Shailesh Lakhani
Director
DIN: 08018001

Place: Mumbai
Date: May 29, 2019

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(in ₹ lakhs)

Consolidated Statement of Cash Flow for the year ended	2019	2018
NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	720.47	646.50
Adjustment for :		
Depreciation and amortization of expenses	20.55	20.46
Gain/Loss on Investments	(0.67)	(5.06)
Interest Expenses	320.34	234.63
Operating Profit Before Working Capital Changes	1,060.69	896.53
Net Change in		
Inventories	(2,463.88)	(95.31)
Trade Receivables	(1,114.10)	(851.09)
Loans	(1.93)	(1.72)
Other Assets	115.92	(287.74)
Trade and other payable	100.057	(91.51)
Other financial liabilities	(112.07)	361.29
Other Liabilities	19.17	81.17
Cash Generated From Operations	(2,396.14)	11.61
Income Tax Paid	(241.20)	(212.95)
Net Cash From Operating Activities	(2,637)	(201)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(25.40)	(12.25)
Purchase of Investments (net)	(10.00)	(5.00)
Proceeds from disposal/redemption of investments	5.40	323.90
Interest received	181.53	181.50
Proceeds from retirement of Partnership Firm	-	1.82
Net Cash Used In Investment Activities	151.54	489.98
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	2,545.92	2,609.65
Interest paid	(501.87)	(416.13)
Net Cash Used In Financing Activities	2,044.04	2,193.52
Net change in cash and cash equivalents	(441.77)	2,482.15
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	4,501.48	2,019.33
Cash And Cash Equivalents As At The End of the Year	4,059.71	4,501.48
Net Increase / (Decrease) As Disclosed Above	(441.77)	2,482.15
Note : All figures in brackets are outflows		

As per our report of even date

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

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

Mahendra M. Chordia
Managing Director
DIN: 00175686

Durgesh Kabra
Director
DIN: 00017670

Dhruvin Bharat Shah
Director
DIN: 07528387

Sunny Mahendra Chordia
Director
DIN: 06664041

Suresh Anchaliya
Partner
Membership No. 044960

Seema R. Chordia
Executive Director
DIN: 00175804

Ashok Surana
Director
DIN: 02799316

Sanket Dangi
Chief Financial Officer

Deep Shailesh Lakhani
Director
DIN: 08018001

Place: Mumbai

Date: May 29, 2019

SWARNSARITA GEMS LTD.

Notes to Financial Statement for the Year Ended 31st March, 2019

1. Property plant and equipment

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

(in ₹ lakhs)

Name of Assets	Cost				Depreciation			Carring Value	
	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Mettler Balances	6.78	0.37	0	7.15	5.03	0.84	5.87	1.29	1.75
Motor Cars	103.57	4.61	0.00	108.18	66.05	8.35	74.40	33.78	37.52
Office Equipments	18.72	1.83	0.00	20.55	8.98	3.80	12.78	7.77	9.74
Computers	15.11	1.27	0.00	16.38	13.93	0.43	14.36	2.03	1.18
Furniture & Fixtures	20.70	11.30	0.00	31.99	3.64	3.01	6.65	25.34	17.06
Plant & Machinery	45.84	6.01	0.00	51.85	7.57	3.23	10.80	41.05	38.26
Office Building	53.52	0.00	0.00	53.52	2.21	0.85	3.06	50.46	51.31
Total	264.24	25.40	0.00	289.64	107.41	20.51	127.93	161.71	156.83

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	Gross Carrying Value				Depericiation			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	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

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2. Intangible Assets

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

(in ₹ lakhs)

Name of Assets	Cost				Depericiation			Carring Value	
	As On 01.04.2018	Addition during the year	Deduction/ Written off During the Year	As On 31.03.2019	As On 01.04.2018	Depreciation during the year	Total As On 31.03.2019	As On 31.03.2019	As On 01.04.2018
Trademark	0.36	0	0	0.36	0	0.036	0.036	0.324	0.36
Total	0.36	0	0	0.36	0	0.036	0.036	0.324	0.36

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

(in ₹ lakhs)

Name of Assets	Cost				Depericiation			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	0.36	0.36
Total	0.36	0	0	0	0	0	0	0.36	0.36

3. Investments

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current investments		
Unquoted Investment carried at cost		
Investment in wholly owned subsidiary Swarnsarita Realty Pvt Ltd	0.00	0.00
10000000 (10000000) equity shares of ₹ 10 each, fully paid up		
	0.00	0.00
Current investments		
Investment Carried at fair value through profit and loss account (FVTPL)		
Liquid mutual fund units		
Union Mutual Fund	10.39	5.12
Equity investments		
SJ Corporation Limited of ₹ 1 each	0.06	0.06
400 quity shares of ₹ 1 each, fully paid up		
	10.45	5.18
Total carrying Value	10.45	5.18

SWARNSARITA GEMS LTD.

4. Loans

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current		
Unsecured, considered good		
Others		
Nilkanth jewellers	21.65	19.72
	21.65	19.72

5. Deffered tax assets (Liabilities)

Property plant and equipment	5.24	2.94
	5.24	2.94

6. Tax assets (Net)

Direct tax assets	176.88	131.73
Indirect tax assets	313.77	541.10
	490.65	672.83

7. Other assets

1. Non-current

Advances other than capital advances

Security Deposit	58.73	24.73
Preliminary Expenses	0.00	0.00
	58.73	24.73

2. Current

Capital Advances

Advance for purchase of machinery	1092.02	1056.76
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Advances other than capital advances

Other advances

Advance to supplier	16.92	19.33
Prepaid expenses	2.47	3.06
	1111.42	1079.15
Total other assets	1170.15	1103.88

8. Inventories

Raw Materials	4605.06	2078.42
Finished Goods	6652.05	6714.81
	11257.11	8793.22

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9. Trade receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured		
Considered good	6380.11	5266.01
Considered doubtful	0.00	0.00
	6380.11	5266.01

10. Cash and cash equivalents

Balances with banks		
Cash on hand	4.77	3.14
In current accounts	85.72	2154.84
Fixed Deposits	3969.22	2343.50
	4059.71	4501.48

11. Equity share capital

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 31.03.2019 No. of Shares	As at 31.03.2018 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 31st March, 2019		As at 31st March, 2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	9,357,187	44.82	9,357,187	44.82

SWARNSARITA GEMS LTD.

12. Borrowing

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Secured, loans repayable on demand		
From Banks		
Union Bank of India (CC A/c) ¹	1559.92	126.46
The Bank of Nova Scotia ²	1845.10	1833.16
Union Bank of India (Gold Loan) ¹	6762.34	6613.78
Yes Bank Bullion Account ³	2924.54	1974.58
Unsecured		
From Directors	2.00	0.00
	13093.90	10547.99

- 1 The Cash Credit facility and Gold Loan from the Union Bank of India is secured by cash collateral security (Fixed Deposit) of ₹ 5 Crore and further 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 Metal Gold loan facility from the Bank of Nova Scotia is secured by Stand by Letter of Credit (SBLC) issued by Yes 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 receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Trade Payable	354.79	254.73
	354.79	254.73

14. Other Financial Liabilities

Non-Current		
Rent Deposits	10.58	14.42
	10.58	14.42
Current		
Expenses payables	408.89	467.56
Advance received from customer	17.00	70.40
Payable for property purchase	40.93	40.93
	466.82	578.89

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15. Other Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Statutory Taxes Payable	34.84	25.19
	34.84	25.19

16. Current Tax liabilities

Income tax liabilities	224.06	213.00
	224.06	213.00

17. Revenue from operation

Sale of Goods	53,850.42	47,120.89
Rent Income	60.50	40.15
Labour Charges Received	973.31	1,472.81
	54,884.23	48,633.85

18. Other Income

Interest Income	181.53	181.50
Exchange difference	427.36	241.08
Gain/Loss on valuation of Shares and mutual fund at fair value	0.39	5.06
Profit on sale of Mutual Fund	0.28	-
Bad Debts Receovery	0.50	-
Discount and Round off	0.24	-
	610.30	427.65

19. Cost of material consumed

Purchase of Goods	54,855.18820	46,452.79
Labour Charges & Other Charges	687.98944	830.60
Add:- Opening Stock		
Raw Material	2,078.42	3,041.12
Less:- Closing Stock		
Raw Material	4,605.06	2,078.42
Raw Material Consumed	53,016.54	48,246.09

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

Opening Balance of Inventory	6,714.81	5,656.79
Less: Closing Balance of Inventory	6,652.05	6,714.81
	62.75	(1,058.02)

21. Employee benefit expenses

Salaries and Wages 1	610.71	446.05
Staff Welfare Expenses	9.64	5.70
Staff Insurance Charges	5.17	3.15
	625.53	454.90

¹ Salaries and wages includes director remuneration of 147 Lakhs.

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22. Finance Costs

Particulars	As at 31.03.2019	As at 31.03.2018
Interest Expenses	501.87	146.13
	501.87	416.13

23. Other Expenses

Advertising Expenses	-	1.05
Auditor Remuneration	-	3.80
Bad Debts	0.02	13.71
Brokerage and Commission	-	2.50
Certification Charges	1.06	24.35
Computer Repair & Maintenance	8.90	1.10
Connectivity Charges	-	1.37
Conveyance Expenses	-	0.51
Consultancy Charges	-	0.40
Credit Rating Fees	0.68	2.75
Depository Charges	-	1.69
Designing Expenses	-	3.05
Discount, Rebate & Round off	-	(6.20)
Donation	-	6.00
Electricity Expenses	0.05	12.01
Exhibition Charges	-	71.56
Export Expenses	-	22.51
Franking Charges	-	0.01
Freight Charges	-	23.00
Hire Charges	-	3.74
Insurance	-	11.22
Interest on Excise Duty	-	0.01
Interest on TDS	0.01	0.16
Late Fees and penalty on GST	-	0.47
Listing Fees	-	2.88
Internet Charges	0.12	0.85
Membership Fees	-	2.30
Manpower Service charges	-	0.23
Office Expenses	14.40	4.72
Packing Material & Threads	-	2.25
Professional Tax	-	0.02
Postage Expenses	-	2.63
Prior Periods Expenses	-	2.15
Printing and Stationery	-	5.35
Professional Fees	0.33	21.56
Repair & Maintenance - others	-	2.62
ROC Fees	25.58	0.23
Rent	-	69.99

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Particulars	As at 31.03.2019	As at 31.03.2018
Security Service Charges	-	1.06
Software Licence Charges	-	1.66
Stamp Duty	-	0.18
Society Charges	-	1.02
Telephone Expenses	-	3.22
Travelling Expenses	-	8.76
VAT Amount W/off	-	0.73
Valuation Charges	-	0.27
	546.82	335.43

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

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

SWARNSARITA GEMS LTD.

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.

(a) Financial assets and liabilities

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

(in ₹ lakhs)			
Financial Assets	Fair value through Profit or Loss	Amortised Cost	Total carrying Value
Cash and cash equivalents	0.00	4059.71	4059.71
Trade Receivables	0.00	6380.11	6380.11
Investments	10.45	0.00	10.45
Loans	0.00	21.65	19.72
Total	10.45	10461.47	10471.92
Financial Liabilities			
Trade payable	0.00	354.79	354.79
Borrowings	0.00	13093.90	13093.90
Other financial liabilities	0.00	466.82	466.82
Total	0.00	13915.51	13915.51

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

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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 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, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	10.39	0.00	0.00	10.39
Equity shares	0.06	0.00	0.00	0.06
Total	10.45	0.00	0.00	10.45

(in ₹ lakhs)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	5.12	0.00	0.00	5.12
Equity shares	0.12	0.00	0.00	0.12
Total	5.24	0.00	0.00	5.24

(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.

SWARNSARITA GEMS LTD.

(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 counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by 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 10445.5 lakhs and 9769.52 lakhs as at March 31, 2019, and March 31, 2018, 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, 2019

Name of Customer	Outstanding Amount (in ₹ Lakhs)	% to total receivables
No Such Customer		

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	22.02%

(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.

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5. Earnings per equity share

Particulars	2019	2018
Profit for the year (in ₹ lakhs)	479.27	433.55
Weighted average number of equity shares	20876800	20876800
Earnings per share basic and diluted (in ₹)	2.30	2.08
Face value per equity shares (in ₹)	10	10

6 Auditor Remuneration

	(in ₹ lakhs)	
Particulars	2019	2018
Services as statutory Auditors	3.00	3.00
Tax Audit	1.00	1.00
Service Tax	0.00	0.00

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, 2019

Particulars	Associates	Key management Personnel	Other Related Parties
Interest income	0.00	0.00	0.00
Rent Expenses	0.00	42.00	30.00
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	147.00	100.80

Year ended March 31, 2018

Particulars	Associates	Key management Personnel	Other Related Parties
Interest income	0.00	0.00	0.00
Rent Expenses	0.00	30.00	2.50
Remuneration (Short term benefit)	0.00	83.13	54.47
Exhibition Charges	0.00	0.00	1.00

Balance Receivables from Related parties are as follows:

SWARNSARITA GEMS LTD.

As at March 31, 2019

Particulars	Associates	(in ₹ lakhs)	
		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, 2018

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

Balance Payable to Related parties are as follows:

9. Dividends

The Company has not declared any dividend during the year.

As per our report of even date

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

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: May 29, 2019

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

Mahendra M. Chordia Managing Director DIN: 00175686	Durgesh Kabra Director DIN: 00017670	Dhruvin Bharat Shah Director DIN: 07528387	Sunny Mahendra Chordia Director DIN: 06664041
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Seema R. Chordia Executive Director DIN: 00175804	Ashok Surana Director DIN: 02799316	Sanket Dangi Chief Financial Officer	Deep Shailesh Lakhani Director DIN: 08018001
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SWARNSARITA GEMS LIMITED

[CIN: L36911MH1992PLC068283]

Registered office: 125/127, Daya Mandir, 6th Floor, Room No. 5 to 10, Mumbadevi,
Mumbai – 400003, Maharashtra, India.

Email: info@swarnsarita.com | Website: www.swarnsarita.in

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]

Name of Member(s)	:	
Registered Address	:	
Email Id	:	
*DP Id.	:	
Folio No.	:	

* Applicable for investors holding shares in electronic form.

I/We, being a member(s) of _____ shares Swarnsarita Gems Limited hereby appoint:

1. Mr./Mrs. _____ Email Id: _____

Address: _____

Signature: _____

2. Mr./Mrs. _____ Email Id: _____

Address: _____

Signature: _____

3. Mr./Mrs. _____ Email Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday, 26th September, 2019 at 10.00 am (IST) at Balhawan, Ghatkopar Balkan Ji Bari Marg, Opposite Rajwadi Garden, Ghatkopar East, Mumbai 400077, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

	Resolutions	Number of Shares held	For	Against
1	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.			
2	To appoint a Director in place of Mrs. Seema R. Chordia (DIN: 02685866), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.			
3	Appointment of M/s Banshi Jain & Associates, Chartered Accountants, as the Statutory Auditors of the Company			
Special Business				
4.	Appointment of Mr. Durgesh Kumar Kabra (DIN: 00017670) as an Independent Director			
5.	Appointment of Mr. Deep Shailesh Lakhani (DIN: 08018001) as an Independent Director			

** This is optional. Please put a tick mark (x) 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 _____ 2019

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 at least 48 hours before the commencement of the Meeting at 125/127, Daya Mandir, 6th Floor, Room No. 5 to 10, Mumbadevi, Mumbai – 400003, Maharashtra, India.
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