SUNRAJ

23rd October, 2018

To,
The Secretary
The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Sub: Submission of Annual Report for the FY ended March, 2018

Dear Sir,

We hereby enclose a copy of the 28th Annual Report for the Financial year ended March, 2018 as per Regulation 34 of the SEBI (LODR) Regulations, 2015.

Kindly take the same onto records. Thanking you.

Yours Truly,

For SUNRAJ DIAMOND EXPORTS LTD.

Sunny Gandhi
Director

Encl: As Above

SUNRAJ DIAMOND EXPORTS LTD.
Regd. Office : 1412 - 1414 Prasad Chambers, Swadeshi Mills Compound, Opera House, Mumbai 400004
Tel : 022 23610069 / 23638559
E-mail : info@sunrajdiamonds.com
Website : www.sunrajdiamonds.com
CIN NO. : L36912MH1990PLC057803

SUNRAJ DIAMOND EXPORTS LTD.

SUNRAJ

28TH ANNUAL REPORT

2017 - 2018

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

Sunil C. Gandhi	:	Director
Sunny S. Gandhi	:	Whole Time Director
Nirav K. Shah	:	Whole Time Director & Chief Financial Officer
Hargovind Shah	:	Independent Director
Jimit Shah	:	Independent Director (Resigned w.e.f. 14th December, 2017)
Shruti Gandhi	:	Independent Director
Pravin Shah	:	Independent Director (Appointed w.e.f. 14th December, 2017)

BANKERS

State Bank of India

Bank of Baroda

IndusInd Bank Ltd.

HDFC Bank Ltd.

STATUTORY AUDITOR

M/s. Shah Khakhi & Associates
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd.
17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400059.
E-mail: support@adroitcorporate.com

REGISTERED OFFICE

1412-1414, Prasad Chambers, Opera House,
Mumbai - 400004.

NOTICE

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

Registered Office: 1412-1414, Prasad Chambers, Opera House, Mumbai - 400004.

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Shareholders of **Sunraj Diamond Exports Limited** will be held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004 on Friday 28th September, 2018 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements (Standalone and Consolidated) i.e. Balance Sheet as at March 31, 2018, the Statement of Profit and Loss Account and the Cash Flow statement for the financial year ended on March 31, 2018 and the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Nirav Shah (holding DIN 02033505), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Pravin Shah as an Independent Director**

   To consider and if thought fit to pass with or without modifications the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Pravin Dahyabhai Shah (DIN 08000282), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th December, 2017 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 Article 109 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, 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 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Pravin Dahyabhai Shah, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 14th December, 2017 to 13th December, 2022, be and is hereby approved."

For and on behalf of the Board of Directors

Registered Office
1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.
Dated: 14th August, 2018

SUNNY GANDHI
Executive Director
DIN No. 00695322

NOTES FOR SHAREHOLDERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the

Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out all material facts and details relating to the Special Business i.e. for Item No. 3 at the meeting, is annexed hereto.

3. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard - 2 on “General Meetings”, the particulars of Directors proposed to be appointed/re-appointed at the Meeting, are annexed to the Notice.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 25/09/2018 to 28/09/2018 (both days inclusive).

5. Members are requested to notify immediately any change of address;

   (i) To their Depositary Participants (DPs) in respect of their electronic share accounts, and

   (ii) To the Company’s Registrar & Share Transfer Agents, M/s Adroit Corporate Services Pvt. Ltd. 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - East, Mumbai - 400 059, in respect of their physical share folios, if any, quoting their folio numbers.

6. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained either from the website of the Company at www.sunrajdiamonds.com or from the Registrar &Share Transfer Agents at their aforesaid addresses.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of 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 dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.

8. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email IDs are registered with the Company or the Depository Participants, unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participants. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

9. Members intending to require information about the financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available.

10. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

11. Members are requested to bring their copy of the Annual report to the Meeting.

12. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the shareholders, to enable them to cast their vote electronically. The Company has engaged services of Central Depository Services (India) Limited (“CDSL”) for providing e-voting facility to Members. The facility for voting through Ballot Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Process for e-voting:

The instructions for shareholders voting electronically are as under:

In case of shareholders receiving e-mail:

(i) The voting period begins on Tuesday 25th September, 2018 at 9.00 a.m. and ends on Thursday 27th September, 2018 at 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 (record date) of Friday 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) Company as recorded in your demat account or in the company records in order to login. • 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.

(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 Company Name i.e. "Sunraj Diamond Exports 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 login 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.

In case of members receiving the physical copy:

(i) Please follow all steps from Sl. No. (i) to Sl. No. (xix) above to cast vote.

(ii) The voting period begins on Tuesday 25th September, 2018 and ends on Thursday 27th September, 2018. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) 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.

13. Mrs. Grishma Khandwala, Practicing Company Secretary, (Membership No. 6515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

14. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not

later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.

15. The Results declared alongwith the Scrutinizer's report shall be placed on the website of CDSL immediately after the declaration of result by the Chairman. The result shall also be immediately forwarded to BSE Limited where the shares of the Company are listed.

For and on behalf of the Board of Directors

Registered Office
1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.

Dated: 14th August, 2018

SUNNY GANDHI
Executive Director
DIN No. 00695322

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Pravin Dahyabhai Shah, as an Additional Director of the Company and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 14th December, 2017 to 13th December, 2022, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 109 of the Articles of Association of the Company, Mr. Pravin Dahyabhai Shah shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from Mr. Pravin Dahyabhai Shah to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Pravin Dahyabhai Shah fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company.

Mr. Pravin Dahyabhai Shah has more than 40 years experience in the field of Finance. Details of Mr. Pravin Dahyabhai Shah have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Pravin Dahyabhai Shah as an Independent Director is now being placed before the Members for their approval. Keeping in view the experience and expertise of Mr. Shah, the Board of Directors considers it desirable that the Company should avail of his services and accordingly recommends the Resolution set out in Item No. 3 for the approval of the Members.

Except Mr. Pravin Dahyabhai Shah and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice.

For and on behalf of the Board of Directors

Registered Office
1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.

Dated: 14th August, 2018

SUNNY GANDHI
Executive Director
DIN No. 00695322

ANNEXURE - I

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting. (Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on "General Meetings")

1.	Name of Director	**Mr. Nirav Shah**	**Mr. Pravin Shah**
2	Director Identification Number (DIN)	02033505	08000282
3.	Date of Birth	16.07.1980	01.04.1950
4.	Date of Appointment	28.03.2008	14.12.2017
5.	Experience in specific areas	Expertise in Global Trade of Minerals, Commodities, Finance and Marketing	More than 40 years experience in Finance
6.	Academic Qualifications	B.Com	S.S.C.
7.	Directorship in Other Companies	Nil	Nil
8.	Professional Qualifications	Nil	Nil
9.	Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Chairmanship - Nil Membership of stakeholders Relationship Committee	Nil
10.	Shareholding in the Company (No. of shares)	Nil	Nil

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting 28th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2018.

FINANCIAL RESULTS:

The salient features of the Company's working for the year under review are as under: (Amount in ₹)

Particulars	Standalone		Consolidated
	Year Ended 31.03.2018	Year Ended 31.03.2017	**Year Ended 31.03.2018**
Sales and other Income	**87,53,297**	23,08,758	**87,53,297**
Profit /(Loss) before Interest and Depreciation	**(37,44,718)**	(1,11,06,609)	**(43,49,512)**
Less Interest & Finance Expenses	**(1,15,05,583)**	(1,12,94,218)	**(1,15,05,583)**
Profit/(Loss) before Depreciation	**(1,52,50,301)**	(2,24,00,827)	**(1,59,34,442)**
Less/Add: Depreciation	**(9,52,994)**	(9,46,560)	**(9,52,994)**
Profit/(Loss) Before Taxation	**(1,62,03,294)**	(2,33,47,387)	**(1,68,87,436)**
Less: Provision for Taxation (Net)	**NIL**	NIL	**NIL**
Less/Add: Deferred Tax	**75,254**	65,080	**75,254**
Profit/(Loss) for the year	**(1,61,28,040)**	(2,32,82,307)	**(1,68,12,182)**
Less: Tax Adjustment relating to prior years	**NIL**	NIL	**NIL**
Add: Surplus brought forward from Previous year	**(58,19,008)**	1,74,63,299	**1,94,41,757**
Balance Carried to Balance Sheet	**(2,19,47,047)**	(58,19,008)	**26,29,575**

OPERATIONS:

Your Company has recorded a turnover of ₹ 62.56 lacs during the year under review as opposed to ₹ 57.89 lacs in the previous year. The Company has been conservative in its outlook and therefore has restricted turnover in order to minimize the risk of defaults.

DIVIDEND:

With a view to conserving the resources of your Company, your Directors have decided not to recommend Dividend for the year.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March, 2018, and the date of the Directors' Report.

DIRECTORATE:

Mr. Pravin Dahyabhai Shah was appointed as an Additional and Independent Director with effect from 14th December, 2017.

In accordance with the Act and the Articles of Association of your Company, Mr. Nirav Shah retires by rotation and is eligible for re-appointment.

Mr. Jimit Balmukand Shah resigned as Independent Director w.e.f. 14th December, 2017 due to his other professional commitments. The Board places on record its appreciation for the contribution and guidance provided by him during his tenure as Director of the Company.

Brief profiles of the Director seeking appointment/re-appointment as Directors of the Company are annexed to the Notice.

BOARD EVALUATION:

The Board has carried out an annual performance evaluation of the Directors individually including Independent Directors, Board as a whole and of its various committees on parameters such as skills, knowledge, participation in meetings, contribution towards Corporate Governance practices, compliance with code of ethics etc.

Independent Directors have carried out performance evaluation of non-independent Directors, Chairman of the Board and Board as a whole with respect to knowledge to perform the role, time and level of participation, performance of duties and level of oversight and professional conduct and independence.

The Directors expressed their satisfaction with the evaluation process.

MEETINGS:

During the year Five Board Meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 Mr. Sunny Gandhi, Wholetime Director and Mr. Nirav Shah, Wholetime Director and Chief Financial Officer continue to be the Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS:

Necessary declarations have been obtained from all the Independent Directors under Section 149 (6) of the Companies Act, 2013 and Regulations 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

Your Company has a wholly owned foreign subsidiary Company in Dubai at the Dubai Multi Commodities Centre (DMCC), UAE in the name of SUNRAJ DIAMONDS DMCC.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the Financial statements of the Company's Subsidiaries (in Form AOC-1) is forming part of the Consolidated Financial Statement.

Pursuant to Section 136 of the Companies Act, 2013 the Company is exempted from attaching to its Annual Report the Annual Report of the Subsidiary Company viz. SUNRAJ DIAMONDS DMCC

The financial statement of the subsidiary Company is kept open for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the financial statement of its subsidiary company to the shareholders upon their request free of cost.

RELATED PARTY TRANSACTIONS:

There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence enclosing of form AOC 2 is not required. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

Particulars of Loans, Guarantees or Investments:

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013, during the year under review and hence the said provision is not applicable.

Business Risk Management

The Company manages and monitors principal risks and uncertainties that can impact ability of the Company to achieve its targets/objectives. Timely reports are placed before the board for considering various risks involved in the Company business/operations. The Board evaluates these reports and necessary / corrective actions are then implemented.

A brief report on risk evaluation and management is provided under Management's Discussion and Analysis Report forming part of this Annual Report.

Internal Financial Controls

The Company has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The Company does not own any manufacturing facility and hence the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Accounts) Rules, 2014 are not applicable. Particulars with regards to foreign exchange expenditure and earning are given in Note Nos. 3 (O) of the notes to the accounts.

Corporate Social Responsibility (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

Directors' Responsibility Statement

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013. The Directors confirm that :

a) the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;

b) the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;

c) sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;

d) the Annual Accounts have been prepared on a going concern basis;

e) the internal financial controls laid down in the Company were adequate and operating effectively;

f) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

Share Registrar & Transfer Agent

The Company's Registrar & Transfer Agents for shares is Adroit Corporate Services Pvt. Ltd (ACSPL). ACSPL is a SEBI registered Registrar & Transfer Agent. The contact details of ACSPL are mentioned in the Report on Corporate Governance. Investors are requested to address their queries, if any to ACSPL; however, in case of difficulties, as always, they are welcome to contact the Company's Compliance Officer, the contact particulars of which are contained in the Report on Corporate Governance.

Fixed Deposit

Your Company has not accepted any deposit from the public during the year within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Particulars of Employees

The Company does not have any employee covered under the provisions of Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and therefore, this information has not been furnished as part of this Report.

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure I and forms a part of this Report of the Directors.

Vigil Mechanism

The Company has a Vigil Mechanism and Whistle-Blower Policy to deal with instances of fraud and mis-management, if any, and conducting business with integrity, including in accordance with all applicable laws and regulations.

Auditors

At the 27th Annual General Meeting held on 21st September, 2018, the Members approved appointment of M/s. Shah Khakhi & Associates, Chartered Accountants (Firm Registration No.0126506W) to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of the 31st Annual General Meeting (subject to ratification of the appointment by the Members, at every Annual General Meeting held after the 27th Annual General Meeting) on such remuneration as may be fixed by the Board apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

On May 7, 2018, Section 40 of the Companies Amendment Act, 2017 (amending Section 139 of the Companies Act, 2013) has been notified whereby ratification of Statutory Auditor's appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of appointment of Statutory Auditors is not proposed.

Auditors' Report

The Auditors' Report to the shareholders does not contain any reservation, qualification or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Grishma Khandwala, Practicing Company Secretary (C.P. No. 1500) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2018 is annexed herewith as 'Annexure - II' to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure III.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

c) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

The Directors wish to take this opportunity to express their sincere thanks to the Company's Bankers for their valuable support and the Shareholders for their unflinching confidence in the Company.

Corporate Governance:

A detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

For and on behalf of the Board of Directors

	SUNNY GANDHI	**NIRAV SHAH**
Place : Mumbai,	Executive Director	Executive Director
Dated : 14th August, 2018	**DIN No. 00695322**	**DIN No. 02033505**

ANNEXURE - I

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

(i) Details of Remuneration of employees as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

The percentage increase in remuneration of each Director, Chief Executive Officer and Chief Financial Officer during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sl No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (₹ in Lacs)	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Sunny Gandhi - (Whole Time Director)	₹ 6.50 Lacs	Nil	3.75:1
2	Mr. Nirav Shah - (Whole Time Director) & (CFO)	₹ 9.75 Lacs	Nil	5.62:1

(ii) The median remuneration of employees of the Company during the financial year 2017-18 was ₹ 1,73,500/-

(iii) In the financial year 2017-18, there was a decrease of 6.34% in the median remuneration of employees.

(iv) There were 10 permanent employees on the rolls of Company as on March 31, 2018.

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 is Nil whereas the increase in the managerial remuneration for the same financial year was NIL

(vi) The key parameters for the variable component of remuneration availed by the Directors:

There is no variable component of remuneration availed by the Directors.

(vii) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 is as per the Remuneration Policy of the Company.

II. Details of Remuneration of Top 10 Employees as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof.

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of Joining	Gross Remuneration p.a. (Paid in ₹)	Previous Employment
1	Mr. Nirav Shah	Whole Time Director & CFO	B.com	38	10	28/03/2008	9,75,000	NIL
2	Mr. Sunny Gandhi	Whole Time Director	B.com	36	12	31/01/2006	6,50,000	NIL
3	Ms. Yogita Pednekar	Accountant	B.com	40	9	20/07/2009	3,48,000	NIL
4	Mr. Suresh Mali	Administrative Staff	HSC	42	10	31/07/2008	3,00,000	NIL
5	Mr. Satyawan Shirsat	Administrative Staff	SSC	47	10	31/07/2008	2,02,700	NIL
6	Mr. Mahesh Anant Jadhav						2,02,000	NIL
8	Mr. Subhash Malekar	Administrative Staff	SSC	44	9	16/06/2009	1,56,000	NIL
9	Mr. Tushar Ghegad	Administrative Staff	HSC	29	7	01/04/2011	1,44,000	NIL
10	Mr. Madhukar Rane	Administrative Staff	SSC	27	5	01/04/2013	1,32,000	NIL
11	Mr. Sean Gandhi	Assortment Assistant	B.com	28	8	01/04/2010	1,32,000	NIL

ANNEXURE - II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Company's Financial Year from 1st April, 2017 to 31st March, 2018

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

To,
The Members,
Sunraj Diamond Exports Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunraj Diamond Exports Limited. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 comprising the Company's financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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;

(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, 1992 and 2015.;

    (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicableto the Company during the Audit Period;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicableto the Company during the Audit Period;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicableto the Company during the Audit Period;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicableto the Company during the Audit Period;

As per information provided by the management, there are no laws specifically applicable to the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable,

I Further Report that during the year under review

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 was 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.

Decisions at the Board meetings were taken unanimously.

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, the Company has not undertaken any event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

GRISHMA KHANDWALA
Company Secretary
ACS No. 6515
C.P. No. 1500

Place : Mumbai,
Dated : 14th August, 2018

To,
The Members,
Sunraj Diamond Exports Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. I further report that, to the best of my understanding, the Company, during the year under report, had not undertaken any events/action having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

7. 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.

GRISHMA KHANDWALA
Company Secretary
ACS No. 6515
C.P. No. 1500

Place : Mumbai,
Dated : 14th August, 2018

ANNEXURE - III

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	:	**L36912MH1990PLC057803**
2.	Registration Date	:	22-08-1990
3.	Name of the Company	:	**SUNRAJ DIAMOND EXPORTS LTD.**
4.	Category/Sub-Category of the Company	:	Public Company
5.	Address of the Registered Office and contact details	:	1412-1414, Prasad Chambers, Opera House, Mumbai - 400 004. Tel No. 022-2363 8559, 2361 0069
6.	Whether listed company	:	Yes, BSE Limited
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**Adroit Corporate Services Pvt. Ltd.** 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - East, Mumbai - 400 059. Tel. No. 022-42270400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company
1	Gems & Jewelry	7113	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Sunraj Diamonds DMCC	N.A.	Subsidiary	100%	2(87)(ii)

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

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-4-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1915005	0	1915005	35.93	1915005	0	1915005	35.93	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
f-2) DIRECTORS	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter (A)	**1915005**	**0**	**1915005**	**35.93**	**1915005**	**0**	**1915005**	**35.93**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	7500	7500	0.14	0	7500	7500	0.14	0.00
b) Banks / FI	0	1600	1600	0.03	0	1600	1600	0.03	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)									
i-1) Others	0	0	0	0.00	0	0	0	0.00	0.00
i-2) Directors Relative	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	**0**	**9100**	**9100**	**0.17**	**0**	**9100**	**9100**	**0.17**	**0.00**
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	45168	16700	61868	1.16	45332	16700	62032	1.16	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	835686	1058100	1893786	35.53	820758	1054100	1874858	35.17	-0.36
ii) Individual shareholders holding nominal share capital in excdess of Rs.1 lakh	988494	442747	1431241	26.85	937780	442747	1380527	25.90	-0.95
c) Others (Specify)									
c-1) Non Resident Indians {Individulas)	15900	0	15900	0.30	13550	0	13550	0.25	-0.04
c-2) Clearing Members	0	0	0	0	0	0	0	0	0.00
c-3) Trusts	3500	0	3500	0.07	3500	0	3500	0.07	0.00
Sub-total (B)(2)	**1888748**	**1517547**	**3406295**	**63.90**	**1892748**	**1513547**	**3406295**	**63.90**	**0.00**
Total Public Shareholding(B)= (B)(1)+(B)(2)	**1888748**	**1526647**	**3415395**	**64.07**	**1892748**	**1522647**	**3415395**	**64.07**	**0.00**
C. Shares held by Custodian for GDRs & ADRs.	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	**3803753**	**1526647**	**5330400**	**100.00**	**3807753**	**1522647**	**5330400**	**100**	**0.00**

B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2017)			Shareholding at the end of the year (as on 1st April, 2018)			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	SUNIL CHANDRAKANT GANDHI	115000	2.16	0.00	115000	2.16	0.00	0.00
2	GUNVANTI CHANDRAKANT GANDHI	375000	7.04	0.00	375000	7.04	0.00	0.00
3	SUNNY SUNIL GANDHI	1320800	24.78	0.00	1320800	24.78	0.00	0.00
4	SEAN SUNIL GANDHI	104205	1.95	0.00	104205	1.95	0.00	0.00
	TOTAL	**1915005**	**35.93**	**0.00**	**1915005**	**35.93**	**0.00**	**0.00**

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 1st April, 2017)		Date	(+)Increase/ (-)Decrease in share holding	Reason	Shareholding at the end of the year (as on 31st March, 2018)	
		No. of Shares	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
There are no change								

D) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 1st April, 2017)		Date	(+)Increase/ (-)Decrease in share holding	Reason	Shareholding at the end of the year (as on 31st March, 2018)	
		No. of Shares	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
1	KAWALJIT SINGH	261409	4.90	-	-	-	261409	4.90
2	NIRAVKUMAR KIRITKUMAR SHAH HUF	247016	4.63	14/07/2017 04/08/2017 03/11/2017 05/01/2018	(150000) (97016) (30378) (30378)	Transfer Transfer Transfer Transfer	0	0.00
3	NIRAV KIRITBHAI SHAH	195731	3.67	23/06/2017 14/07/2017 21/07/2017	(100000) (50000) (45731)	Transfer Transfer Transfer	0	0.00
4	MAHESH CHIMANLAL PATEL	150500	2.82	-	-	-	150500	2.82
5	MANTHAN C SHAH	59925	1.12	28/07/2017	56210	Transfer	166135	2.18
6	CHINUBHAI V SHAH	56210	1.05	28/07/2017	(56210)	Transfer	0	0.00
7	NAITIK C SHAH	48359	0.91	-	-	-	48359	0.91
8	TUSHAR K MEHTA	45306	0.85	-	-	-	45306	0.85
9	TARABEN SHAH	86618	1.62	-	-	-	86618	1.62
10	RINKU A CHOUMAL	0	0	14/07/2017	100000	Transfer	100000	1.88

E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1.	SUNIL CHANDRKANT GANDHI	115000	2.16	115000	2.16
2.	SUNNY SUNIL GANDHI	1320800	24.78	1320800	24.78
3.	HARGOVIND SHAH	0	0	0	0
4.	NIRAV SHAH	0	0	0	0
5.	*JIMIT SHAH	0	0	0	0
6.	SHRUTI GANDHI	0	0	0	0
7.	*PRAVIN SHAH	0	0	0	0

- Mr. Pravin Shah was appointed as an Independent Director w.e.f. 14th December, 2017
- Mr. Jimit Shah resigned as Independent Director w.e.f. 14th December, 2017

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment. (₹)

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	9,98,61,870	0	9,98,61,870
ii) Interest due but not paid	-	-	0	-
iii) Interest accrued but not due	-	-	0	-
Total (i+ii+iii)	**0**	**9,98,61,870**	**0**	**9,98,61,870**
Change in Indebtedness during the financial year				
• Addition	0	5,50,04,175	0	5,50,04,175
• Reduction	0	(1,76,59,520)	0	(1,76,59,520)
Net Change	**0**	**3,73,44,655**	**0**	**3,73,44,655**
Indebtedness at the end of the financial year				
i) Principal Amount	0	13,72,06,227	0	.13,72,06,227
ii) Interest due but not paid	-	-	0	-
iii) Interest accrued but not due	-	-	0	-
Total (i+ii+iii)	**0**	**13,72,06,227**	**0**	**13,72,06,227**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Director and / or Manager (₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Sunny Gandhi Executive Director	Mr. Nirav Shah Executive Director & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	650,000	975,000	16,25,000
	(b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission	N.A.	N.A.	N.A.
	• As % of profit			
	• Others, specify			
5.	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	650,000	975,000	16,25,000
	Ceiling as per the Act	30,00,000	30,00,000	–

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Hargovind Shah	Jimit Shah	Pravin Shah	
1.	**Independent Directors**				
	Fee for attending board committee meetings	3,000	3,000	0	6,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	**3,000**	**3,000**	**0**	**6,000**
2.	**Other Non-Executive Directors**				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	**0**	**0**	**0**	**0**
	Total (B) = (1+2)	**3,000**	**3,000**	**0**	**6,000**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	975,000	975,000
	b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	• as % of profit	–	–	–	–
	• others, specify	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total			**975,000**	**975,000**

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)
A. COMPANY					
Penalty Punishment Compounding			Not Applicable		
B. DIRECTORS					
Penalty Punishment Compounding			Not Applicable		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			Not Applicable		

Place : Mumbai,
Dated : 14th August, 2018

SUNNY GANDHI
Executive Director
DIN No. 00695322

NIRAV SHAH
Executive Director
DIN No. 02033505

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

The Diamond Industry faces many regulatory issues with respect to the recent claims of fraud within the Industry. We see a period of consolidation, where good businesses will streamline their operations to tackle the challenges going forward. The Raw Materials business is also going through a change in distribution patterns, with more miners preferring to reach out directly to Manufacturers.

B) Opportunities and Threats :

The weakening of the currency vis a vis the US dollar is a big boost for exporters but will indirectly affect the price of Raw Materials and Imports. The stability in Rough Diamond prices should offset this change in price structure due to currency fluctuations. The healthier banking regulations will allow stable businesses to survive in the long run.

The threat to the Industry is largely being seen from the circulation of lab grown CVD Diamonds in large numbers. The recent launch of the brand Lightbox, by De Beers, will have a short to medium term impact on smaller sized goods, as prices will begin to fluctuate in some of the lower quality goods. The use of these diamonds for illicit gains remains a huge threat.

C) Segment-wise Performance :

The Company currently has only one business segment viz. trading in cut and polished diamonds and hence product-wise performance is not provided.

D) Outlook :

The Indian Diamond Industry is now gearing up for the parallel existence of Lab Grown CVD Diamonds. Both natural and CVD diamonds will co - exist simultaneously. This will be a short-term challenge for the trade. The prices of raw materials for natural diamonds are stable and will continue to do so. We expect 2018 - 2019 to be a year where there is not much growth but a healthier and leaner business model being created.

E) Risk and Concerns :

The Company identifies tougher banking regulations, liquidity issues and a volatile currency as the major risks to conduct business.

F) Internal Control Systems and their Adequacy :

The Company has a satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

G) Human Resources :

There has been no material development on the Human Resource / Industrial relations front during the year.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2018 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

1. Company's Philosophy on code of Corporate Governance:

The Company believes that to be an effective business entity the Organisation hasto recognize its responsibilities to the stakeholders and should be guided by the principles of just and efficient governance for mutual benefit. The Company's corporate philosophy imbibes the ideal of this principle and accordingly has endeavored to carry out all its operations in a transparent and fair manner.

The Company has adopted a Code of Conduct as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2018.

In compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.

The relevant standards of Corporate Governance have been fully complied with by the Company.

2. Board of Directors :

Composition and size of the Board

The present strength of the Board is 6 out of which 4 are Non-executive Directors (more than two third of the total Board strength) and among these 4 Non-Executive Directors, 2 are Independent Directors.

The size and composition of the Board confirms with the requirements of Corporate Governance under the Listing Regulations and applicable laws. The Independent Non-Executive Directors of the Company do not have any other material or pecuniary relationship or transactions with the Company, its promoters, or its management, which in the judgment of the Board may affect independence of judgment of the Directors. Non-Executive Directors are not paid any remuneration.

Mr. Sunny Gandhi, Executive Director is the son of Mr. Sunil Gandhi, Director.

In the financial year 2017 - 2018, the Board met Five times. The Board Meetings were held on

(1) 29th May, 2017, (2) 7th August, 2017, (3) 14th September 2017,

(4) 14th December, 2017, (5) 13th February, 2018.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Name of the Directors	Status i.e. Executive, Non-Executive and Independent	Shares held	Members of Boards of Other Companies	Total Number of Committee Membership held		Number of Board Meeting held during the year		Whether attended last Annual General Meeting
				As Chairman	As Member	Held	Attended	
Mr. Sunny Gandhi	Promoter ED	1320800	K. D. Shah Investments Pvt. Ltd. Sunraj Investments & Finance Pvt. Ltd.	Nil	1	5	5	Yes
Mr. Hargovind Shah	Independent Director	Nil	Nil	1	1	5	5	Yes
Mr. Nirav Shah	WTD & CFO	Nil	Nil	Nil	1	5	3	Yes
Mr. Sunil Gandhi	Promoter NED	115000	Sunraj Investments & Finance Pvt. Ltd.	Nil	1	5	3	No
Mr. Jimit Shah	Independent Director	0	Nil			5	3	Yes
Mrs. Shruti Gandhi	Women Director	0	Nil	1	Nil	5	5	Yes
Mr. Pravin Shah	Independent Director	0	Nil	Nil	Nil	5	1	No

- Mr. Pravin Shah was appointed as an Independent Director w.e.f. 14th December, 2017
- Mr. Jimit Shah resigned as an Independent Director w.e.f. 14th December, 2017

As provided under Regulation 25/26 of the SEBI Listing Regulations, none of the Independent Directors on Board acts as an Independent Director in more than seven listed entities, none of the Wholetime / Executive Directors on Board acts as Independent Director in more than three listed entities, none of the Directors are members in more than ten committees or acts as Chairman of more than five such committees.

Meeting of Independent Directors

The Independent Directors met once during the Financial Year 2017-18, without the presence of Executive Directors or Management Representatives. The issues and concerns, if any, of the meeting were then discussed with the Chairman.

3. Audit Committee:

Pursuant to provisions of Section 177 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 18 of SEBI (LODR) Regulations, 2015, the Audit Committee has been reconstituted in the Board meeting held on 14th December, 2017 with the terms of reference prescribed therein.

The present composition of the Audit Committee is as under:

Member	Position	No. of Meetings attended
Mr. Hargovind Shah	Chairman	4
Mr. Sunny Gandhi	Member	4
Mr. Jimit Shah	Member	3
Mr. Pravin Shah	Member	1

- Mr. Jimit Shah ceased to be a Member of this Committee w.e.f. 14th December, 2017.
- Mr. Pravin Shah was appointed a Member of this Committee on the conclusion of the Board Meeting held on 14th December, 2017

The above composition duly meets the requirements as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

The functions of the Audit Committee are as per Company Law and Listing Regulations. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

The AuditCommittee met four times during the financial year 2017-18, on the following dates namely, 29th May, 2017, 14th September, 2017, 14th December, 2017 and 13th February, 2018 and the frequency was as prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

4. Nomination and Remuneration Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013, the Board of Directors of the Company have constituted the "Nomination and Remuneration Committee. The Committee was reconstituted by the Board at its meeting held on 14th December, 2017

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.The terms of reference of the Nomination and Remuneration Committee as approved by the Board of Directors are briefly set out below:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board for their appointment and removal;
- 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 for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board and to carry out evaluation of every director's performance; and
- To devise a policy on Board diversity.

During the year under review the following Directors were the Members of the Nomination and Remuneration Committee.

Member	Position	No. of Meetings held	No. of Meetings attended
Pravin Shah	Chairman	1	1
Hargovind Shah	Member	1	1
Sunil Gandhi	Member	1	1

- Mr. Jimit Shah ceased to be a Chairman of this Committee w.e.f. 14th December, 2017.
- Mr. Pravin Shah was appointed a Chairman of this Committee on the conclusion of the Board Meeting held on 14th December, 2017

The Company also has a Nomination and Remuneration Policy.

The Company has also devised a familiarization program for the Independent Directors to help them understand the Company, its management, roles and responsibilities in the Company, operations of the Company etc.

The Nomination and Remuneration Committeemet One time during the financial year 2017-18, on the following dates namely,13th February, 2018

The details of remuneration paid to Directors/ Executive Directors for the financial year ended 31st March, 2018 are set out below:

The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of sitting fees paid to Independent Directors during the year under review are as under:

Non-Executive Directors

Name	Sitting Fees Paid
Mr. Sunil Gandhi	NIL
Mr. Hargovind Shah	3,000
Mr. Jimit Shah	3,000
Mrs. Shruti Gandhi	NIL
Mr. Pravin Shah	NIL
Total	**6,000**

Executive Directors

Name	Salary
Mr. Sunny Gandhi	6,50,000
Mr. Nirav Shah	9,75,000
Total	**16,25,000**

The Company has not issued any stock options.

5. Stakeholders Relationship Committee

The Stakeholder's Relationship Committee has been constituted to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, etc.

During the year under review the following Directors were the Members of the Stakeholders Relationship Committee.

Member	Position	No. of Meetings held	No. of Meetings attended
Shruti Gandhi	Chairperson	4	4
Nirav Shah	Member	4	4

Stakeholders Relationship Committee met four times during the financial year 2017-18, on the following dates namely, 29thMay, 2017, 14th September, 2017, 14th December, 2017 and 13th February, 2018and the frequency was as prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

Mr. Nirav Shah, Director is the Compliance Officer.

During the financial year there were following complaints received from the shareholders.

The Particulars of Investors, grievances received and redressed during the year are furnished below:

Sl. No.	Nature of Complaints	No. of Complaints		
		Received	Resolved	Pending as on 31/03/2018
1)	Non receipt of Annual Report	NIL	NIL	NIL
2)	Complaints relating to Dematerialisation of Shares	NIL	NIL	NIL
3)	Non - receipt of Shares certificates After transfer / duplicate / Name correction	NIL	NIL	NIL
4)	Others	1	1	NIL
	TOTAL	**NIL**	**NIL**	**NIL**

6. General Body Meetings:

The details of Annual General Meetings held during last three years are as under:-

Financial Year	Day and Date	Time
2016 - 2017	Thursday21/09/2017	11.30 a.m
2015 - 2016	Friday 30/09/2016	11.30 a.m.
2014 - 2015	Wednesday 30/09/2015	11.30 a.m.

Location:

The AGM for the year 2017-2018 was held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400004.

Business:

During the last year, there was no business, which had to be conducted through a postal ballot. At present, the Company does not have any resolution to be decided by the members by postal ballot.

SPECIAL RESOLUTIONS PASSED:

1. **In 2014- 2015 AGM:**

   Special Resolution pursuant to provisions of Section 180 (1) (c) to give consent to the Board of Directors to borrow monies in excess of paid up capital and fee reserves was passed at the AGM held on 30th September, 2015.

2. **In 2015- 2016 AGM:**

   Special Resolution pursuant to provisions of Sections 196,197 and 203 to appointments of Mr. Sunny Gandhi as a Wholetime Director for a term of 3 years commencing from 1st October, 2016and Mr. Nirav Shah as a Wholetime Director for a term of 3 years commencing from 1st April, 2017 were passed at the AGM held on 30th September, 2016.

3. **In 2016- 2017 AGM:**
   No Special Resolution passed.

7. **Disclosures:**

   1. **Related Party Transactions:**
      There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their associate companies or relatives, not conflicting with Company's interest, the details of which have been shown in Note No. 25 of Financial Statements, Notes forming part of the Accounts for the year ended 31st March, 2018.
      The Company has not entered into any transaction of material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The register of contracts containing transactions, in which directors are interested, is placed before the board regularity.

   2. **Code of Conduct:**
      The Board of Directors of the Company has laid down two separate Codes of Conduct - one for Directors and other for Senior Management and Employees.
      All Board Members and Senior Management personnel have affirmed compliance with the Code of conduct for the year under review. A Declaration signed by CFO / Director to this effect is annexed to this report.

   3. **CEO/CFO Certification:**
      As required under Regulation 17(8), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the CFO has given a certificate to the Board in the prescribed format for the year ended 31st March, 2018.

   4. **Risk Management:**
      The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

   5. **Statutory Compliance, Penalties and Strictures:**
      The Company has complied with all the requirements of regulatory authorities on matters relating to capital markets and no penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI.

   6. **Whistle Blower Policy:**
      The Company encourages and opens door policy where employees have access to the Head of the Business/Function. In terms of Sunraj Diamond Exports Limited’s Code of Conduct, any instance of non-adherence to the code of any other observed/ unethical behavior is to be brought to the attention of the immediate reporting authority, who is required to report the same to the appropriate person.

8. **Means of Communication:**
   The Company publishes its Unaudited quarterly, half yearly and yearly financial results in leading national newspapers; namely “The Free Press Journal - English Edition” and “Navshakti - Marathi Edition”. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company is not displaying the financial results on website. The Company has not sent the half yearly report to the Shareholders. No presentations were made to the institutional investors or analysts during the year under review.

9. General Shareholder Information:

a.	**AGM Day, Date, Time**	Friday, 28thSeptember, 2018 at 11.30 a.m.
b.	**Venue**	Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.
c.	**Financial Calendar**	The Board of Directors of the Company approves the unaudited results for each quarter within such number of days as may prescribed under the Listing Agreement from time to time
d.	**Book Closure Period**	25.09.2018 to 28.09.2018

e. **Listing on Stock Exchanges at:**
The Equity Shares of the Company are listed at the The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.

f. **Stock/Company/Security/Common Code:**
BSE Limited
Code: 523425

g. **Demat ISIN No. for Depositories:**
INE459D01014

h. **Market Price Data:**
High/Low of the Company's Shares traded in the BSE Limited, during the financial year 2017- 2018 is furnished below:

Month & Year	Company's Share Price	
	High (₹)	Low (₹)
April 2017	5.42	4.02
May 2017	4.04	3.84
June 2017	3.84	3.84
July 2017	3.84	3.84
August 2017	3.84	3.84
September 2017	3.84	3.47
October 2017	3.30	3.08
November 2017	2.93	2.53
December 2017	2.65	2.65
January 2018	3.87	2.78
February 2018	4.06	4.06
March 2018	4.47	4.26

i. **Registrar and Transfer Agents:**
In compliance with the SEBI Directive for all listed Companies to have a common agency to handle physical and electronic share registry work the Company has appointed M/s Adroit Corporate Services Pvt. Ltd as the Registrar and Transfer Agents. Accordingly all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the R & T at it's offices 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - (East), Mumbai - 400 059.

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Officers of the Registrars and Transfer Agents have been authorized to approve transfers in addition to the officers of the Company.

Shareholding Pattern of the Company as on 31st March, 2018

Sr. No.	Holders	No. of Shares Held	% of Total
A	Promoters Holding	1915005	35.93
B	Non-Institutional Investors		
a.	Bodies Corporate	62032	1.16
b.	Indian Public	3327213	62.42
c.	NRI's	13550	0.25
d.	Others	12600	0.24
	TOTAL	**53,30,400**	**100.00**

Distribution of Shareholding as on 31st March, 2018

No. of Shares	No. of Holders	% to Total	No. of Shares	% to Total
1 to 500	8,341	94.38	12,26,800	23.02
501 to 1000	278	3.15	2,28,504	4.29
1001 to 2000	103	1.17	1,52,427	2.86
2001 to 3000	36	0.41	89,076	1.67
3001 to 4000	16	0.18	58,115	1.09
4001 to 5000	17	0.19	77,830	1.46
5001 To 10000	16	0.18	1,06,015	1.99
10001 and above	31	0.35	33,91,633	63.62
	8,838	**100.00**	**53,30,400**	**100.00**

Dematerialisation of Shares & Liquidity

As on 31st March, 2018 **71.43%** of the Company's total shares representing 38,07,753 shares were held in dematerialized form.

Address for Correspondence :

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address :

Compliance Officer : **Mr. Nirav Shah**
1412-1414, Prasad Chambers,
Opera House, Mumbai - 400004.

10. COMPLIANCE OF NON-MANDATORY REQUIREMENTS

1) Chairman of the Board

The Company does not have a Chairman. At every Board Meeting, a Director is elected as Chairman to preside over the meeting. Hence, there is no separate office in the Company for the post of Chairman.

2) Shareholders Rights

Half yearly results including summary of the significant events are not being sent to Shareholders of the Company.

3) Postal Ballot

No resolutions are being proposed to be passed by Postal Ballot.

4) Audit Qualification

There is no Audit Qualification by the Statutory Auditors.

For and on behalf of the Board of Directors

Place : Mumbai,	**SUNNY GANDHI**	**NIRAV SHAH**
Dated : 14th August, 2018	Executive Director	Executive Director
	DIN No. 00695322	**DIN No. 02033505**

DECLARATION ON CODE OF CONDUCT

The Declaration for Code of Conduct in compliance with Regulation 26 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 is given below.

To,
The Members of
Sunraj Diamonds Exports Limited

I Mr. Sunny Gandhi, Executive Director of the Company, hereby confirm that, all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2017-2018.

For and on behalf of the Board of Directors

Place : Mumbai,	**SUNNY GANDHI**
Dated: 14th August, 2018	Executive Director
	DIN No. 00695322

AUDITORS' CERTIFICATE

ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of
Sunraj Diamonds Exports Limited

We have examined the conditions of Corporate Governance by **Sunraj Diamond Exports Limited** for the year ended 31st March, 2018 as stipulated in Clause 49 of the Listing Agreement of the Company with the relevant Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance except in the matter of the composition of the Board of Directors which did not comprise of Independent Directors to the extent of 50% of the Board's strength, as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shah Khakhi &Associates**
Chartered Accountants

Place : Mumbai,
Date : 29th May, 2018

Snehal R. Shah
Partner

INDEPENDENT AUDITOR'S REPORT

To the Members of **SUNRAJ DIAMOND EXPORTS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sunraj Diamond Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the period ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. These 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 of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;

b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required under the Companies (Auditors' Report) Order, 2016 issued by the Company Law Board in terms with section 143(11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said Order.
2. As required u/s. 143(3) of the Companies' Act, 2013, 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 purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) On the basis of the written representations received from the directors as on 01st April 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 01st April 2017 from being appointed as 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements
      ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Shah Khakhi & Associates**
Chartered Accountants
FRN: 0126506W

Snehal R. Shah
Partner
Membership No. 113347

Place : Mumbai,
Date : 29th May, 2018.

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2018:

1. Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property, hence the clause of the title deeds in respect of immovable properties in the name of the Company is not applicable

2. Inventories

(a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. Loans and Advances granted/taken from certain entities

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses (a),(b) and (c) of the order are not applicable to the Company.

4. Loan to Directors and investment by Company

In our opinion and according to the information and explanations given to us, the Company has not granted any loan, investment, guarantee and security. Hence provision of section 185 and 186 of the Companies Act, 2013 is not required to be complied with.

5. **Public Deposits**

The Company has not accepted any deposits as defined u/s. 2(31) of the Companies Act, 2013, therefore the issue of the Company following the directives issued by the Reserve Bank of India and provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable. Because there is no contravention by the Company the nature of contravention in not reported. The Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal has not passed any order or directive there for the issue of its compliance is not applicable.

6. **Cost Records**

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7. **Statutory Dues**

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputesexcept the following:

Nature of Tax Liability	Amount (₹)	Nature of Dispute / Forum Where the dispute is pending
Income Tax A.Y. 2008-09	28,070	ITAT Appeal
Income Tax A.Y. 2011-12	5,26,130	ITAT Appeal
Income Tax A.Y. 2013-14	1,17,12,740	CIT Appeal
Income Tax A.Y. 2014-15	27,80,755	CIT Appeal

(c) The Company is not required to transfer any amount to investor education and protection fund, in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under, hence clause (vii)(c) is not applicable

8. **Dues to Financial Institutions, Banks and Debenture holders**
Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company hastakenloan fromNon Banking financial institutionbut has neither taken loan from the government and has not issued any debentures.

9. **Utilization of IPO and further Public Offer**
According to the information and explanations given to us, the Company has not raised money either by means of Initial Public Offer (IPO) or further public offer (including debt instruments). Hence, clause 3(ix) will not be applicable to the company and hence not commented upon.

10. **Frauds Noticed**
Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

11. **Approval of Managerial Remuneration**
According to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. **Nidhi Company**
Based on our audit procedures and on the information and explanations given by the management, the Company is not a Nidhi Company.Hence clause 3(xii) of the Order is not applicable.

13. **Related Party Transactions**
According to the information and explanations given to us, the Company has complied with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. **Private Placement or Preferential Issues**
According to the information and explanations given to us, the Company has made private placement of shares during the year under review. The company has complied with the requirements of Section 42 of the Companies Act, 2013, and the amount raised has been used for the purposes for the purposes for which the funds were raised.

15. **Non - Cash Transactions**
According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence clause 3(xv) of the order is not applicable.

16. **Register under RBI Act 1934**
The Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **Shah Khakhi & Associates**
Chartered Accountants
FRN: 0126506W

Snehal R. Shah
Partner
Membership No. 113347

Place : Mumbai,
Date : 29th May, 2018.

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Sunraj Diamond Exports 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 Sunraj Diamond Exports Limited ("the Company") as of March31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Shah Khakhi & Associates**
Chartered Accountants
FRN: 0126506W

Snehal R. Shah
Partner
Membership No. 113347

Place : Mumbai,
Date : 29th May, 2018.

Balance Sheet as at March 31, 2018

Particulars	Note	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
ASSETS				
I. Non-current Assets				
(a) Property, Plant and Equipment	4	**1,230,457**	2,142,051	3,044,668
(b) Financial Assets				
(i) Investments	5	**5,967,100**	5,967,100	5,967,100
(ii) Other Financial Assets	6	**551,800**	299,800	259,800
(c) Other Non-Current Assets		**–**	–	–
(d) Deferred Tax Asset (Net)		**686,188**	610,934	545,854
		8,435,545	9,019,885	9,817,422
II. Current Assets				
(a) Inventories		**5,177,920**	3,317,049	6,011,081
(b) Financial Assets				
(i) Trade Receivables	7	**163,436,756**	163,244,068	179,721,133
(ii) Cash and Cash Equivalents	8	**97,141**	143,524	558,132
(iii) Bank Balances other that (ii) above)	9	**1,795,357**	1,795,357	1,795,557
(iv) Loans and Advances	10	**2,000**	89,000	65,000
(v) Others Financial Assets		**–**	–	–
(c) Other Current Assets	11	**11,643,056**	10,934,870	11,027,312
		182,152,230	179,523,868	199,178,215
Total Assets		**190,587,775**	188,543,753	208,995,637
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	**53,304,000**	53,304,000	53,304,000
(b) Other Equity	13	**(20,779,329)**	(4,651,289)	18,631,017
		32,524,671	48,652,711	71,935,017
LIABILITIES				
I. Non-current Liabilities				
(a) Borrowings		**–**	–	–
(b) Provisions	14	**6,781,751**	6,781,751	6,781,751
		6,781,751	6,781,751	6,781,751
II. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	**137,206,227**	99,861,871	84,817,692
(ii) Trade Payables	16	**12,049,448**	31,070,310	43,343,098
(b) Other Current Liabilities	17	**1,876,439**	1,970,364	1,953,056
(c) Provisions	18	**149,240**	206,745	165,024
		151,281,354	133,109,291	130,278,869
Total Equity and Liabilities		**190,587,775**	188,543,753	208,995,637

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note	As at 31.03.2018 ₹	As at 31.03.2017 ₹
	Continuing Operations			
	Revenue from Operations		**6,255,649**	5,789,057
I	Other Income	19	**2,497,648**	(3,414,931)
I	**Total income (I)**		**8,753,297**	2,374,126
II	**Expenses**			
	(a) Purchase of Traded Goods		**7,139,225**	2,589,199
	(a) Change in Inventories	20	**(1,860,871)**	2,694,032
	(a) Employee Benefit Expense	21	**3,723,404**	4,041,829
	(b) Finance Costs	22	**11,505,583**	11,294,218
	(c) Depreciation and Amortization Expense		**952,994**	946,560
	(d) Other Expense	23	**3,496,257**	4,071,008
	Total Expense (II)		**24,956,592**	25,636,846
III	**Profit/(Loss) before exceptional items & Tax (I-II)**		**(16,203,294)**	(23,262,720)
VI	**Exceptional items**		–	84,666
V	**Profit/(Loss) before Tax (III-IV)**		**(16,203,294)**	(23,347,386)
VI	**Tax Expense:**			
	(1) Current Tax		–	–
	(2) Deferred Tax		**(75,254)**	(65,080)
	Income Tax Expense (VI)		**(75,254)**	(65,080)
VII	**Profit/(Loss) for the period (V-VI)**		**(16,128,040)**	(23,282,306)
VIII	**Other Comprehensive (Losses) / Income**			
(A)	(i) Items that will be reclassified subsequently to profit and loss		–	–
(B)	(i) Items that will not be reclassified subsequently to profit and loss		–	–
	Total Other Comprehensive (Losses) / Income		–	–
IX	**Total Other Comprehensive (Losses) / Income for the year (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)**		**(16,128,040)**	(23,282,306)
X	**Earnings per Equity Share:-**	24		
	Basic and diluted			

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347
Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

Particulars	Amount ₹
Balance as at April 1, 2016	**53,304,000**
Changes during the year -	–
Balance as at March 31, 2017	**53,304,000**
Changes during the year -	–
Balance as at March 31, 2018	**53,304,000**

B. Other Equity

Particulars	Reserves & Surplus ₹	Other Comprehensive Income ₹	Total ₹
Balance as at April 1, 2016	18,631,017	–	18,631,017
Profit for the year	(23,282,306)	–	(23,282,306)
Balance as at March 31, 2017	(4,651,289)	–	(4,651,289)
Profit for the year	(16,128,040)	–	(16,128,040)
Balance as at March 31, 2018	**(20,779,329)**		**(20,779,329)**

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

Cash Flow Statement for the year ended March 31, 2018

Cash flow from operating activities	31.03.2018 ₹	31.03.2017 ₹
Profit/(Loss) for the year	**(16,203,294)**	(23,347,386)
Adjustments for -		
Depreciation	**952,994**	946,560
Finance Cost (Interest Paid)	**11,473,832**	11,255,156
gain on sale of Motor Car	**–**	(65,367)
Operating profit before working capital changes	**(3,776,468)**	(11,211,037)
(Increase) / Decrease in Current Assets		
Loans and Advances	**87,000**	(24,000)
Trade Receivables	**(192,688)**	16,477,065
Change in Inventory	**(1,860,871)**	2,694,032
Other Current Assets	**(708,186)**	92,442
Increase / (Decrease) in Current Liabilities		
Trade payables	**(19,020,863)**	(12,272,788)
Other Current Liabilities	**(93,925)**	17,309
Provision	**(57,505)**	41,721
Cash generated from /(used in) Operations	**(25,623,506)**	(4,185,256)
Direct Taxes paid (Net of refunds)	**–**	–
Net cash flow from/ (used in) Operating Activities (A)	**(25,623,506)**	(4,185,256)
Cash Flows from Investing Activities		
Purchase of Fixed Assets	**(41,400)**	(156,354)
Proceeds from sale of Fixed Assets	**–**	177,778
Security Deposits	**(252,000)**	(40,000)
Net Cash Flow from/ (used in) Investing Activities (B)	**(293,400)**	(18,576)
Cash Flows from Financing Activities		
Finance Cost (Interest Paid)	**(11,473,832)**	(11,255,156)
Proceeds/Repayment from short-term Borrowings	**37,344,355**	15,044,180
Dividend & Dividend Distribution Tax Paid	**–**	
Net Cash Flow from/(used in) in Financing Activities (C)	**25,870,523**	3,789,024
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(46,383)**	(414,808)
Cash and cash equivalents at the beginning of the year	**143,524**	558,132
Cash and cash equivalents at the end of the year	**97,141**	143,324
Components of cash and cash equivalents		
Cash on hand	**20,868**	64,431
With Banks - on Current Account	**76,273**	79,092
Total cash and cash equivalents	**97,141**	143,524

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

NOTE 1 - COMPANY OVERVIEW

Sunraj Diamonds exports limited is a public limited company has been incorporated under the provisions of the Companies Act, 1956. Its shares are listed in BSE Stock Exchange. The Company is engaged in the business of manufacturing, trading and exporting of gold jewellery, cut and polished diamond and silver items.

NOTE 2 - BASIS OF PREPARATION

a. Statement of compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. There being no effect of such transition, Reconciliation for the same is not required.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. Recognition and Measurement of foreign transction have been disclosed in Note 3(o.) below.

c. Basis of Measurement

The company financial statements have been prepared on the historical cost basis.

d. Use of Estimates and Judgements

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 recognised 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.

i) 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.

ii) 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.

iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Measurement of Fair Values

The company has established control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

i) Interest Income

Interest income on Savings Bank Accounts and Fixed Deposits are accounted on accrual basis.

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

ii) Dividend Income:

Dividend income on investments is recognised as and when received.

b. Earning per Share :

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

c. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

d. Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

e. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

f. Property, Plant And Equipment

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv) Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

v) Derecognition

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

g. Recognition of Dividend Income, Interest Income

Dividend on financial instruments is recognized as and when realized. Interest is recognized on accrual basis.

h. Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

i. Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

j. Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

k. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1 FINANCIAL ASSETS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Classification

 A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair Value through Profit and Loss Account (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

 A debt investment is measured at Fair Value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

 Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent Measurement and Gains and Losses

Financial assets at FVTPL :- These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost :-These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2 FINANCIAL LIABILITIES

i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

iii) Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l. Impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. the allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount
- Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii) Impairment of Non-Financial Assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m. Employee Benefits

i) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ii) Long term Employee Benefits:

Provident Fund and Superannuation Contribution are accrued each year in terms of contracts with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation. Leave encashment benefit to employees has been provided on an estimated basis.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Foreign currency transactions and foreign operations

i) The functional currency of the Company is determined on the basis of the primary economic environment in which it operates."The functional currency of the Company is Indian National Rupee (INR).In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreigncurrencies are retranslated at the rates prevailing at the date when the fair value was determined

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iv) Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

 Exchange differences on transactions entered into in order to hedge certain foreign currency risks

 Exchange difference arising on settlement / restatement of longterm foreign currency monetary items recognized in the financial statements for the year ended 31st March 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. All exchange differences on foreign currency monetary items originating after March, 2016 including those relating to fixed assets are charged off to statement of profit and loss.

NOTE 4 - Property, Plant & Equipments

Sr. No.	Particulars	Computers ₹	Furniture & Fixtures ₹	Office and Equipment ₹	Vehicles ₹	Computer Software ₹	Total ₹
1	**Deemed Cost of Asset**						
	As at 1st April, 2016	349,703	886,016	774,472	9,916,801	89,585	12,016,577
	Addition	–	64,710	91,644	–	–	156,354
	Disposal/Adjustments	–	–	–	2,248,211	–	2,248,211
	As at 31st March, 2017	**349,703**	**950,726**	**866,116**	**7,668,590**	**89,585**	**9,924,720**
	Addition	41,400	–	–	–	–	41,400
	Disposal/Adjustments	–	–	–	–	–	–
	As at 31st March, 2018	**391,103**	**950,726**	**866,116**	**7,668,590**	**89,585**	**9,966,120**
2	**Depreciation**						
	As at 1st April, 2016	304,833	841,715	719,598	7,020,658	85,105	8,971,909
	Charge for the year	9,128	6,148	20,640	910,644	–	946,560
	Disposal/Adjustments	–	–	–	2,135,800	–	2,135,800
	As at 31st March, 2017	**313,961**	**847,863**	**740,238**	**5,795,502**	**85,105**	**7,782,669**
	Charge for the period	15,563	6,147	20,640	910,644	–	952,994
	Disposal/Adjustments	–	–	–	–	–	–
	As at 31st March, 2018	**329,524**	**854,010**	**760,878**	**6,706,146**	**85,105**	**8,735,663**
3	**Net Block**						
	As at 1st April, 2016	44,870	44,301	54,874	2,896,143	4,480	3,044,668
	As at 31st March, 2017	35,742	102,863	125,878	1,873,088	4,480	2,142,051
	As at 31st March, 2018	**61,579**	**96,716**	**105,238**	**962,444**	**4,480**	**1,230,457**
	Capital WIP						
	As at 1st April, 2016						2,803,996
	As at 31st March, 2017						2,702,430
	As at 31st March, 2018						**2,702,430**

Notes on Financial Statements for the year ended March 31, 2018

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 5 - INVESTMENTS			
Investment in Equity Instruments			
1 Investment in subsidiary companies			
Fully paid Equity Shares - Unquoted (100% Investments in Share Capital of Sunraj Diamond DMCC)	**5,952,100**	5,952,100	5,952,100
2 Investment in Other Companies			
Fully paid Equity Shares - Unquoted			
150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March, 2017 - 150) (1st April, 2016)	**15,000**	15,000	15,000
Investments in Government Securities	**–**	–	–
Total	**5,967,100**	5,967,100	5,967,100
Aggregate Cost of Quoted Investments	**–**	–	–
Aggregate Market Value of Quoted Investments	**5,967,100**	5,967,100	5,967,100
Aggregate Cost of Unquoted Investments	**5,967,100**	5,967,100	5,967,100
NOTE 6 - OTHER NON-CURRENT FINANCIAL ASSETS			
Security Deposit	**551,800**	299,800	259,800
Total	**551,800**	299,800	259,800
NOTE 7 - TRADE RECEIVABLES			
Current trade recievablces			
1 Unsecured, Considered Good			
a Outstanding for more than six months	**163,436,756**	163,244,068	179,721,133
b Others (Dues from Related Parties)	**–**	–	–
Total	**163,436,756**	163,244,068	179,721,133
NOTE 8 - CASH AND SHORT-TERM DEPOSITS			
1 Cash on hand	**20,868**	64,431	467,376
2 Balance with Banks - In Current Account	**76,273**	79,092	90,755
Total	**97,141**	143,524	558,132
NOTE 9 - OTHER BANK BALANCES			
1 Earmarked Balances with Banks (Unpaid Dividend)	**1,795,357**	1,795,357	1,795,557
Total	**1,795,357**	1,795,357	1,795,557

Notes on Financial Statements for the year ended March 31, 2018

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 10 - LOANS AND ADVANCES			
Secured, Considered good			
a **Others**			
1 Loans to Staff	**2,000**	89,000	65,000
Total	**2,000**	89,000	65,000
NOTE 11 - OTHER CURRENT ASSETS			
1 Prepaid Expenses	**38,885**	33,238	90,544
2 Balance with Government parties	**8,901,741**	8,199,202	8,132,772
3 Other Advances	**2,702,430**	2,702,430	2,803,996
Total	**11,643,056**	10,934,870	11,027,312

Particulars	As At 31.03.2018 Number	₹	As At 31.03.2017 Number	₹	As At 01.04.2016 Number	₹
NOTE 12 : SHARE CAPITAL						
Authorised						
Equity Shares of Rs. 10 each	**8,000,000**	**80,000,000**	8,000,000	80,000,000	8,000,000	80,000,000
		80,000,000		80,000,000		80,000,000
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000
Total	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000

(a) Reconciliation of the nos of shares & amount outstanding as at the beginning and at the end of the year

Particulars	As At 31.03.2018 Number	₹	As At 31.03.2017 Number	₹	As At 01.04.2016 Number	₹
Shares outstanding at the beginning of the year	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000
Shares Issued during the year	**–**	**–**	–	–	–	–
Shares bought back during the year	**–**	**–**	–	–	–	–
Shares outstanding at the end of the year	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and ranks pari passu.

(c) Details of Shareholders holding more than 5% of the shares in the Company

Particulars Name of Equity Share Holders	As At 31.03.2018 No. of Shares	% of Holding	As At 31.03.2017 No. of Shares	% of Holding	As At 01.04.2016 No. of Shares	% of Holding
Sunny Sunil Gandhi	**1,320,800**	**24.78%**	1,320,800	24.78%	1,320,800	24.78%
Gunvanti Chandrakant Gandhi	**375,000**	**7.04%**	375,000	7.04%	375,000	7.04%

Notes on Financial Statements for the year ended March 31, 2018

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 13 - OTHER EQUITY			
1 Other Reserves			
a Capital Reserve			
Balance as per Last financial statements	**598,000**	598,000	598,000
Additions during the year	**–**	–	–
Closing Balance	**598,000**	598,000	598,000
b General Reserves			
Balance as per Last financial statements	**569,718**	569,718	569,718
Additions during the year	**–**	–	–
Closing Balance	**569,718**	569,718	569,718
	1,167,718	1,167,718	1,167,718
2 Retained Earnigs			
a Balance as per Last financial statements	**(5,819,007)**	17,463,299	26,004,635
Changes during the year	**(16,128,040)**	(23,282,306)	(8,541,335)
Balance at the end of the year	**(21,947,047)**	(5,819,007)	17,463,299
3 Other Comprehensive Income			
a Remeasurement of Defined Benefit Plan	**–**	–	–
Additions during the year (Refer Note - _____)	**–**	–	–
Balance at the end of the year	**–**	–	–
Total	**(20,779,329)**	(4,651,289)	18,631,017

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 14 - PROVISIONS			
Non-Current Provisions			
1 Provision For Tax (Net of Advance Tax)	**6,781,751**	6,781,751	6,781,751
Total	**6,781,751**	6,781,751	6,781,751

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 15 - BORROWINGS			
Current Borrowings			
Loan Repayable on Demand (Unsecured)			
1 From Directors	**54,591,887**	28,169,979	14,865,955
2 From Others (Inter Corporate Borrowings)	**82,614,340**	71,691,893	69,951,737
Total	**137,206,227**	99,861,871	84,817,692

Notes on Financial Statements for the year ended March 31, 2018

	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 16 - TRADE & OTHER PAYABLES				
1	Trade payables	**11,066,034**	30,087,749	42,792,140
2	Creditors for Expenses	**983,414**	982,561	550,958
	Total	**12,049,448**	31,070,310	43,343,098

(The Company has not received information from the suppliers regarding their status under the Micro, Small and Meduim Enterprises Dvelopment Act, 2006. Hence, disclosures if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirmens under the said Act, haven ot been made.

NOTE 17 - OTHER CURRENT LIABILITIES				
1	TDS Payable	**78,988**	64,281	42,364
2	VAT Payable	**–**	–	1,140
2	Other Payables	**2,094**	110,726	113,994
3	Unpaid Dividend*	**1,795,357**	1,795,357	1,795,557
	Total	**1,876,439**	1,970,364	1,953,056

There are no amount due to be transferred to Investor Education and Protection Fund.

NOTE 18 - SHORT TERM PROVISIONS				
1	Provision for Employee Benefits	**140,400**	167,258	126,725
2	Provision For Expenses	**8,840**	39,487	38,299
	Total	**149,240**	206,745	165,024

NOTE 19 - OTHER INCOME				
1	Foreign Exchange Gain/Loss	**2,497,648**	(3,480,298)	10,879,215
2	Profit on Sale of Honda Accord	**–**	65,367	–
3	Gain on Sale of Office Premises & Other Assets	**–**	–	3,255,445
	Total	**2,497,648**	(3,414,931)	14,194,660

NOTE 20 - CHANGES IN INVENTORIES				
1	Closing Stock	**5,177,920**	3,317,049	6,011,081
2	Opening Stock	**3,317,049**	6,011,081	16,187,252
	Total	**(1,860,871)**	2,694,032	10,176,171

Notes on Financial Statements for the year ended March 31, 2018

	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 21 - EMPLOYEE BENEFIT EXPENSE				
1	Salaries, Wages, Bonus	**2,037,700**	2,280,000	2,515,500
2	Staff Welfare Expenses	**60,704**	136,829	162,678
3	Director's Remuneration	**1,625,000**	1,625,000	1,625,000
	Total	**3,723,404**	4,041,829	4,303,178
NOTE 22 - FINANCE COST				
1	Interest on Loan	**638,905**	–	436,745
4	Interest on Unsecured Loans	**10,834,927**	11,255,156	2,751,737
1	Bank charges	**31,750**	39,062	42,521
	Total	**11,505,583**	11,294,218	13,891,690
NOTE 23 - OTHER EXPENSE				
1	Insurance Expenses	**89,226**	127,236	177,444
2	Legal and Professional Fess	**662,669**	760,045	688,577
3	Travelling Expenses	**15,480**	218,768	96,568
4	Rent Expense	**1,538,880**	1,122,740	852,000
5	Repair & Maintenance	**48,050**	3,738	86,764
6	Interest on Late payment	**31,649**	10,770	–
7	Sales promotion including publicity	**16,686**	31,607	53,111
8	Payment to Auditors	**125,000**	172,500	230,000
9	Conveyance Expenses	**31,262**	57,979	58,187
10	Telephone Expenses	**43,453**	380,612	477,941
11	Interest on TDS	**1,639**	9,386	18,972
12	Interest on Other Statutory Dues	**321**	27	–
13	Penalty - BSE	**–**	17,250	–
14	Other Expenses	**891,942**	1,243,017	1,090,335
	Total	**3,496,257**	4,155,674	3,829,899
NOTE 24 - EARNING PER SHARE				
Profit (Loss) for the year		**(16,128,040)**	(23,282,306)	
Weighted average No. of shares outstanding during the year		**5,330,400**	5,330,400	
Nominal value of shares		**10**	10	
Basic / Diluted Earnings Per Share		**-3.03**	-4.37	

Note 25 - Related Party Disclosure

The Management has identified the following entities and individuals as related parties of the Company for the year year ended March 31, 2018 for the purposes of reporting as per Ind AS 24 - Related Party Disclosures, which are as under:

A) Holding, Subsidiaries, Fellow Subsidiaries, and Associates

1)	Holding Company	None
2)	Subsidiaries:	Sunraj Diamonds DMCC
3)	Fellow Subsidiary:	None
4)	Associates:	None
5)	Key Management Personnel and relative of key management personal:	1 Sunny S. Gandhi (Executive Director) 2 Nirav K. Shah (Chief Financial Officer)
6)	Enterprise over which Key Management Personnel & their relative exercise significant influence with whom transaction have taken place during the year :	1 Sunraj Investment & Finance Pvt. Ltd. 2 K. D. Shah Investments Pvt. Ltd.

B) Transaction with related parties

	Category	Name of Related Party	As at 31.03.2018 ₹	As at 31.03.2017 ₹
1	Remuneration	Sunny Sunil Gandhi	**6,50,000**	6,50,000
		Nirav Ketan Bhai Shah	**9,75,000**	9,75,000
		Sunil C Gandhi	**NIL**	NIL
2	Loan Repaid	Sunny Sunil Gandhi	**43,39,207**	88,47,295
		Sunil C Gandhi	**3,33,118**	3,74,440
		K. D. Shah Investments Pvt. Ltd.	**80,87,000**	1,17,35,000
3	Loans Received	Sunny Sunil Gandhi	**3,10,94,232**	2,24,77,557
4	Interest Paid	K. D. Shah Investments Pvt. Ltd.	**1,08,34,927**	1,12,55,156

C) Balance outstanding at the year end

	Name of Related Party	Category	As at 31.03.2018 ₹	As at 31.03.2017 ₹
1	Sunil C Gandhi	Loan from Director	**1,63,966**	4,97,084
2	Sunny Sunil Gandhi	Loan from Director	**5,44,27,920**	2,76,72,894

Note 26 - Note on Corporate Social Responsibility

(a) Gross amount required to be spent by the Company during the year is ₹ Nil.

(b) Amount spent by the Company during the year is ₹ Nil.

Note 27 : Financial Instrument

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

i) Financial Assets

Particulars	Instruments carried at			Total	Total
	At Cost	Fair Value FVTPL	Amortized cost Carrying amt. ₹	carrying amount ₹	fair value ₹
As at 1st April, 2016					
Cash and Cash Equivalents (Note 8)			558,132	558,132	558,132
Investment (Note 5)			5,967,100	5,967,100	5,967,100
Trade receivable (Note 7)			179,721,133	179,721,133	179,721,133
Other Financial Assets (Note 6)			259,800	259,800	259,800
	–	–	**186,506,165**	**186,506,165**	**186,506,165**
As at 31st March, 2017					
Cash and Cash Equivalents (Note 8)			143,524	143,524	143,524
Investment (Note 5)			5,967,100	5,967,100	5,967,100
Trade receivable (Note 7)			163,244,068	163,244,068	163,244,068
Other Financial Assets (Note 6)			299,800	299,800	299,800
	–	–	**169,654,492**	**169,654,492**	**169,654,492**
As at 31st March, 2018					
Cash and Cash Equivalents (Note 8)			97,141	97,141	97,141
Investment (Note 5)			5,967,100	5,967,100	5,967,100
Trade receivable (Note 7)			163,436,756	163,436,756	163,436,756
Other Financial Assets (Note 6)			551,800	551,800	551,800
	–	–	**170,052,797**	**170,052,797**	**170,052,797**

ii) Financial Liabilities

Particulars	Instruments carried at At Cost	Fair Value FVTPL	Amortized cost Carrying amt. ₹	Total carrying amount ₹	Total fair value ₹
As at 1st April, 2016					
Borrowings (Note - 15)			84,817,692	84,817,692	84,817,692
Trade and other payables (Note - 16)			43,343,098	43,343,098	43,343,098
Total	–	–	**128,160,790**	**128,160,790**	**128,160,790**
As at 31st March, 2017					
Borrowings (Note - 15)			99,861,871	99,861,871	99,861,871
Trade and other payables (Note - 16)			31,070,310	31,070,310	31,070,310
	–	–	**130,932,182**	**130,932,182**	**130,932,182**
As at 31st March, 2018					
Borrowings (Note - 15)			137,206,227	137,206,227	137,206,227
Trade and other payables (Note - 16)			12,049,448	12,049,448	12,049,448
	–	–	**149,255,674**	**149,255,674**	**149,255,674**

Note 28: First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first time the Company has prepared in accordance with Ind AS . For periods up to and including the year ended March 31, 2017, the Company prepared its annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. These note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 Optional Exemptions and Mandatory Exceptions applied in the transition from IGAAP to Ind AS.

A. Optional Exemptions availed :

Deemed Cost - Property, Plant and Equipment and Intangible Assets:

As permitted by Ind AS 101, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April,2016 (date of transition) measured as per the IGAAP and used that carrying value as its deemed cost as of the date of transition.

B. Optional Exemptions availed :

Estimates:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS presented in the“entity's first Ind AS Financial Statements as the case may be, should be consistent with estimates made for the same date in accordance with the IGAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under IGAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance Sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirements. Key estimates considered in preparation of the Financial Statements that were not required under the previous GAAP are listed below:

i. Fair valuation of financial instruments carried at FVTPL and/or FVOCI.

ii. Impairment of financial assets based on the expected credit loss model.

iii. Determination of the discounted value for financial instruments carried at amortized cost.

Derecognition of Financial Assets and Liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 101, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively.

Classifications and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

There being no impact on the conversion of the IGAAP into IND AS, there are no items of reconciliation.

Note 29: Financial risk management objectives and policies

Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company and provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Sr. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis Credit rating	Credit limit set and Ageing analysis protect Company from potential losses due to excess credit to the customers
2	Liquidity Risk	Borrowing and other liabilities	Rolling Cash flow forecasts	Availability of committed credit lines and borrowing facilities
3	Market Risk-Interest Rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
4	Market Risk-Foreign Exchange	Future commercial transactions recognized financial assets and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
5	Commodity Risk	Purchase of Raw Material	Fluctuation in Imported material	Procurement and Inventory strategy

1. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Company considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

i) Actual or expected significant adverse changes in business.

ii) Actual or expected significant changes in the operating results of the counterparty.

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Company categorizes financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Foreign Debtors are subject to confirmation as the management has not provided the confirmation of balances for them. No provision for doubtful debts is made on long outstanding debtors, as the management is hopeful of realizing the same.

Provision for expected credit losses:

Description of Category	Category	Basis for recognition of expected credit loss provision Investments Loans and Deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and wher there has been low frequency of defaults in the past	Quality assets, low credit risk	12 month expected credit losses	
Assets where the probability of default is moderate and where the capacity of counter-party to meet the obligations is not strong	Standard assets, moderate credit risk	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	
Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.	Low quality assets, very high credit risk	Life time expected credit losses	
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.	Doubtful assets, credit impaired	Asset is written off	

i) Expected credit loss for loans and deposits:

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2018						
Loans and Deposits	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	553,800	–	–	553,800
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2017						
Loans and Deposits	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	388,800	–	–	388,800
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–
As at 31st March, 2016						
Loans	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	388,800	–	–	388,800
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

ii) Expected credit loss for trade receivables

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2018						
Trade Rece-ivables	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	163,436,756	–	–	163,436,756
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2017						
Trade Rece-ivables	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	163,244,068	–	–	163,244,068
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–
As at 31st March, 2016						
Loans	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	179,721,133	–	–	179,721,133
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Expected credit loss for trade receivables under simplified approach

Debtors' Ageing:

Due from date of invoice	**As at 31.03.2017 ₹**	As at 31.03.2016 ₹	As at 01.04.2015 ₹
0-3 Months	–	181654	–
3-6 Months	–	–	–
6-12 Months	–	–	–
Beyond 12 Months	163,436,756	163,062,414	179,721,133
Gross carrying amount	163436756	163244068	179721133
Expected Credit Loss	–	–	–
Net carrying amount	**163,436,756**	**163,244,068**	**179,721,133**

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturity pattern of borrowings and Trade Payables:

Particulars	**Refer Note**	**0-1 year**	**1-5 years**	**Total**
As at 31st March, 2018				
Borrowings	15	137,206,227	–	137,206,227
Trade Payables	16	113,320	11,936,128	12,049,448
Total		**137,319,547**	**11,936,128**	**149,255,674**
As at 31st March, 2017				
Borrowings	15	99,861,871	–	99,861,871
Trade Payables	16	208,104	30,862,206	31,070,310
Total		**100,069,975**	**30,862,206**	**130,932,182**
As at 1st April, 2016				
Borrowings	15	84,817,692	–	84,817,692
Trade Payables	16	21,416,757	21,926,341	43,343,098
Total		**106,234,449**	**21,926,341**	**128,160,790**

3. Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

i) Currency risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (?), primarily in respect of US$. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

	As at March 31, 2018		As at March 31, 2017	
Financial Assets	Amount (US $)	(₹)	Amount (US $)	(₹)
Trade receivable	**2,515,573**	**163,436,756**	2,515,573	163,244,068
Total-Financial Assetes	**2,515,573**	**163,436,756**	2,515,573	163,244,068

Sensitivity analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 & March 31, 2017 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

	Profit or loss March 31, 2018		Profit or loss March 31, 2017	
Effect in INR	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (Increase/decrease by 0.5%, Profit (Loss) March 31, 2018 - 5%, Profit (Loss) March 31, 2017 - 4%)	**817,184**	**(817,184)**	816,220	-816,220
Total	**817,184**	**(817,184)**	816,220	-816,220

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Since the company does not have sizable borrowings, the interest sensitivity analysis for the interest rate is not undertaken by the management.

Note 30

The company has a contingent liability of income tax of ₹ 4,480 in respect for A.Y. 2008-09, ₹ 104 in respect for A.Y. 2009-10, ₹ 5,26,130 in respect for A.Y. 2011-12, ₹ 40,50,090 in respect for A.Y. 2012-13, ₹ 1,17,12,740 in respect for A.Y. 2013-14, ₹ 23,79,640 in respect for A.Y. 2014-15.

Note 31

The company is engaged in only one business segment i.e. trading in Gems and precious metals. Hnece, Segment Reporting as defined in Ind-AS 108 is not applicable.

Note 32

The company has not undertaken the acturial valuation as per IND AS 19. Hence the disclosure with regards to the same is not provided.

Note 33

Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.	For and on behalf of the Board
For **Shah Khakhi & Associates**	**SUNIL GANDHI**
Chartered Accountants	*Director*
Firm No. : 0126506W	
Snehal R. Shah	**SUNNY S. GANDHI**
Partner	*Director*
Membership No. : 113347	
Mumbai, 29th May, 2018.	Mumbai, 29th May, 2018.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Form AOC-1

(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 ₹)

Sl. No.	Particulars		Details
1.	Name of the Subsidiary	:	Sunraj Diamonds DMCC
2.	Reporting period for the subsidiary concerned	:	31st March, 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	Reporting Currency - USD Exchange Rate - USD 1 = ₹ 65.04
4.	Share Capital	:	₹ 59,13,259
5.	Reserves & Surplus	:	₹ 2,64,49,471
6.	Total Assets	:	₹ 3,65,57,376
7.	Total Liabilities	:	₹ 46,85,460
8.	Investments	:	NIL
9.	Turnover	:	NIL
10.	Profit before Taxation	:	(₹ 6,84,142)
11.	Provision for Taxation	:	NIL
12.	Profit after Taxation	:	(₹ 6,84,142)
13.	Proposed Dividend	:	NIL
14.	% of Shareholding	:	100%

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 14th August, 2018

SUNIL GANDHI
Director

SUNNY GANDHI
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **SUNRAJ DIAMOND EXPORTS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SUNRAJ DIAMOND EXPORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary **SUNRAJ DIAMOND DMCC** (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated 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 Holding 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2018, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of Sunraj Diamond DMCC subsidiary, whose financial statements / financial information reflect total assets of ₹ 3,65,57,376/- as at 31st March, 2018. For the year ended on that date, no revenue has been considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net loss of ₹ 6,84,142/- for the year ended 31st March, 2018, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, is modified to the extent, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management, that - The trading License No. DMCC - 32742 issued on 20th January, 2013 to Sunraj Diamonds DMCC has expired and the company did not renew the trade license from 19th January 2017, which is not in accordance with DMCC rules and regulations.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Company, and its subsidiary company.

For **Shah Khakhi& Associates**
Chartered Accountants
FRN: 0126506W

Snehal R. Shah
Partner
Membership No. 113347

Place : Mumbai,
Date : 29th May, 2018.

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sunraj Diamond Exports 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 Sunraj Diamond Exports Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Shah Khakhi& Associates**
Chartered Accountants
FRN: 0126506W

Snehal R. Shah
Partner
Membership No. 113347

Place : Mumbai,
Date : 29th May, 2018.

Consolidated Balance Sheet as at March 31, 2018

Particulars	Note	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
ASSETS				
I. Non-current Assets				
(a) Property, Plant and Equipment	4	**1,230,457**	2,142,051	3,044,668
(b) Financial Assets				
(i) Investments	5	**15,000**	15,000	15,000
(ii) Other Financial Assets	6	**6,730,600**	6,477,262	6,579,218
(c) Other Non-Current Assets		**–**	–	–
(d) Deferred Tax Asset (Net)		**686,188**	610,934	545,854
		8,662,245	9,245,247	10,184,740
II. Current Assets				
(a) Inventories		**5,177,920**	3,317,049	6,011,081
(b) Financial Assets				
(i) Trade Receivables	7	**193,332,926**	193,048,306	251,669,935
(ii) Cash and Cash Equivalents	8	**579,547**	703,629	1,306,882
(iii) Other Bank Balances	9	**1,795,357**	1,795,357	1,795,557
(iii) Loans and Advances	10	**2,000**	89,000	65,000
(iv) Others Financial Assets		**–**	–	–
(c) Other Current Assets	11	**12,095,566**	11,387,380	11,479,822
		212,983,316	210,340,722	272,328,277
Total Assets		**221,645,560**	219,585,969	282,513,017
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	**53,304,000**	53,304,000	53,304,000
(b) Other Equity	13	**5,113,912**	21,826,748	47,222,799
		58,417,912	75,130,748	100,526,799
LIABILITIES				
I. Non-current Liabilities				
(a) Borrowings		**–**	–	–
(b) Provisions	14	**7,234,261**	7,234,261	7,234,261
		7,234,261	7,234,261	7,234,261
II. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	**141,057,019**	103,700,823	87,601,790
(ii) Trade Payables	16	**12,910,690**	31,343,030	85,032,089
(b) Other Current Liabilities	17	**1,876,439**	1,970,364	1,953,056
(c) Provisions	18	**149,240**	206,745	165,024
		155,993,389	137,220,962	174,751,958
Total Equity and Liabilities		**221,645,562**	219,585,971	282,513,017

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note	For the year ended 31.03.2018 ₹	For the year ended 31.03.2017 ₹
	Continuing Operations			
	Revenue from Operations		**6,255,649**	5,789,057
I	Other Income	19	**2,497,648**	(3,414,931)
I	**Total income (I)**		**8,753,297**	2,374,126
II	**Expenses**			
	(a) Purchase of Traded Goods		**7,139,225**	2,589,199
	(a) Change in Inventories	20	**(1,860,871)**	2,694,032
	(a) Employee benefit expense	21	**3,723,404**	4,041,829
	(b) Finance Costs	22	**11,584,931**	11,467,898
	(c) Depreciation and amortization expense		**952,994**	946,560
	(d) Other expense	23	**4,101,051**	5,249,543
	Total Expense (II)		**25,640,733**	26,989,060
III	**Profit/(Loss) before exceptional items & Tax (I-II)**		**(16,887,436)**	(24,614,934)
VI	**Exceptional items**		**–**	84,666
V	**Profit/(Loss) before Tax (III-IV)**		**(16,887,436)**	(24,699,600)
VI	**Tax Expense:**			
	(1) Current Tax		**–**	–
	(2) Deferred Tax		**(75,254)**	(65,080)
	Income Tax Expense (VI)		**(75,254)**	(65,080)
VII	**Profit/(Loss) for the period (V-VI)**		**(16,812,182)**	(24,634,520)
VIII	**Other Comprehensive (Losses) / Income**			
(A)	(i) Items that will be reclassified subsequently to profit and loss		**–**	–
(B)	(i) Items that will not be reclassified subsequently to profit and loss		**–**	–
	Total Other Comprehensive (Losses) / Income		**–**	–
IX	**Total Other Comprehensive(Losses) / Income for the year**		**(16,812,182)**	(24,634,520)
	Profit for the year attributable to:			
	Shareholders of the Company 100%		**(16,812,182)**	(24,634,520)
	Non-controlling interests		**–**	–
			(16,812,182)	(24,634,520)
	Total comprehensive income for the year attributable to:			
	Shareholders of the Company		**–**	–
	Non-controlling interests		**–**	–
			–	–
X	**Earnings per Equity Share:-** Basic and diluted	24	**-3.15**	-4.62

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

Consolidated Cash Flow Statement for the year ended March 31, 2018

Cash flow from operating activities	31.03.2018 ₹	31.03.2017 ₹
Profit/(Loss) for the year	**(16,887,436)**	(24,614,934)
Adjustments for -		
Depreciation	**952,994**	946,560
Finance Cost (Interest Paid)	**11,473,832**	11,255,156
Gain on Sale of Assets	**–**	(65,367)
Interest income	**–**	–
Operating profit before working capital changes	**(4,460,610)**	(12,478,585)
(Increase) / Decrease in Current Assets		
Loans and Advances	**87,000**	(24,000)
Trade Receivables	**(284,620)**	58,621,629
Others Current Financial Assets	**–**	–
Change in Inventory	**(1,860,871)**	2,694,032
Other Current Assets	**(708,186)**	92,442
Increase / (Decrease) in Current Liabilities		
Trade payables	**(18,432,340)**	(53,689,059)
Other current liabilities	**(93,925)**	17,309
Provision	**(57,505)**	41,721
Cash generated from /(used in) operations	**(25,811,056)**	(4,724,511)
Direct Taxes paid (Net of refunds)	**–**	–
Net cash flow from/ (used in) operating activities (A)	**(25,811,056)**	(4,724,511)
Cash Flows from Investing Activities		
Purchase of Fixed Assets	**(41,400)**	(156,354)
Proceeds from sale of Fixed assets	**–**	177,778
Security Deposits	**(253,338)**	101,956
Dividend Income	**–**	–
Net cash flow from/ (used in) investing activities (B)	**(294,738)**	123,380
Cash Flows from Financing Activities		
Finance Cost (Interest Paid)	**(11,473,832)**	(11,255,156)
Proceeds/Repayment from short-term borrowings	**37,356,197**	16,099,033
Dividend & Dividend Distribution Tax Paid	**–**	–
Net cash flow from/ (used in) in financing activities (C)	**25,882,364**	4,843,877
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(223,429)**	242,746
Foreign Exchange Difference on cash and cash equivalents	**99,347**	(845,998)
Cash and cash equivalents at the beginning of the year	**703,629**	1,306,882
Cash and cash equivalents at the end of the year	**579,547**	703,629
Components of cash and cash equivalents		
Cash on Hand	**20,868**	64,431
With Banks - on Current Account	**558,678**	639,198
- on Deposit Account		
Total cash and cash equivalents	**579,547**	703,629

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

NOTE 1 REPORTING ENTITY

Sunraj Diamonds Exports Limited is a Public Limited Company has been incorporated under the provisions of the Companies Act, 1956. Its shares are listed in BSE Stock Exchange. These finanical statements comprises the Group and its Subsidiaries (referred to collectively as the 'Group'. The Group is engaged in the business of manufacturing, trading and exporting of gold jewellery, cut and polished diamond and silver items.

NOTE 2 BASIS OF PREPARATION

a. Statement of compliance with Ind AS

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The group has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. There being no effect of such transition, Reconciliation for the same is not required.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, discclosures in the notes theretoand accounting policies and principles.

b. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency. Recognition and Measurement of foreign transction have been disclosed in note 3(o) below.

c. Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis.

d. Use of Estimates and Judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the group 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 consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions of the group are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 consolidated 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.

i) Impairment of investments

The group 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.

ii) Useful lives of property, plant and equipment

The group 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.

iii) Valuation of deferred tax assets

The group reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Measurement of Fair Values

The group has established control framework with respect to the measurement of fair values. The group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board of Directors of the group of company.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Company has :

Power over the investee

Is exposed or has rights to variable returns from its involvement with the investee, and

Has the ability to use its power over the investee to a? ect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31st March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The Subsidiary considered in the financial statement is:

Name of Subsidiary	Country of Incorporation	Ownership Interest		
		2017-18	2016-17	2015-16
Sunraj Diamonds DMCC	Dubai	100%	100%	100%

Consolidation procedure:

i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.

iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

iv) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

i) Interest Income

Interest income on Savings Bank accounts and Fixed Deposits are accounted on accrual basis.

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

ii) Dividend income:

Dividend income on investments is recognised as and when received.

b. Earning per Share :

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

c. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

d. Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

e. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

f. Property, Plant And Equipment

i) Recognition and Measurement

Items of property, plant and equipment of the group are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment of the group comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment of the group comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

iv) Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

v) Derecognition

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

g. Recognition of Dividend Income, Interest Income

Dividend on financial instruments is recognized as and when realized. Interest is recognized on accrual basis.

h. Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

i. Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The group currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

j. Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1 FINANCIAL ASSETS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Classification

 A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair Value through Profit and Loss Account (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

 A debt investment is measured at Fair Value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

 Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

At initial recognition, the group measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent Measurement and Gains and Losses

Financial assets at FVTPL :- These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost :- These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv) Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2 FINANCIAL LIABILITIES

i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

iii) Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the group currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l. Impairment

i) Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss. The consolidated balance sheet presentation for various financial instruments is described below:

 Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated balance sheet. the allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount

 Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the consolidated statement of Profit and Loss.

 Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii) Impairment of Non-Financial Assets

The group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m. Employee Benefits

i) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ii) Long term Employee Benefits:

Provident Fund and Superannuation Contribution are accrued each year in terms of contracts with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation. Leave encashment benefit to employees has been provided on an estimated basis.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Foreign currency transactions and foreign operations

The functional currency of Sunraj Diamond Exports Limited is the Indian rupee. The functional currencies for its Subsidiary Sunraj Diamond DMCC is USD . These consolidated financial statements are presented in Indian Rupees.

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent’s ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

p. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the group. For the disclosure on reportable segments see Note 33.

q. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Notes on Consolidated Financial Statements for the year ended March 31, 2018

NOTE 4 Property, Plant & Equipments

Sr. No.	Particulars	Buildings ₹	Computers ₹	Furniture & Fixtures ₹	Office and Equipment ₹	Vehicles ₹	Computer Software ₹	Total ₹
1	**Deemed Cost of Asset**							
	As at 1st April, 2016	–	349,703	886,016	774,472	9,916,801	89,585	12,016,577
	Addition	–	–	64,710	91,644	–	–	156,354
	Disposal/Adjustments	–	–	–	–	2,248,211	–	2,248,211
	As at 31st March, 2017	**–**	**349,703**	**950,726**	**866,116**	**7,668,590**	**89,585**	**9,924,720**
	Addition	–	41,400	–	–	–	–	41,400
	Disposal/Adjustments	–	–	–	–	–	–	–
	As at 31st March, 2018	**–**	**391,103**	**950,726**	**866,116**	**7,668,590**	**89,585**	**9,966,120**
2	**Depreciation**							
	As at 1st April, 2016	–	304,833	841,715	719,598	7,020,658	85,105	8,971,909
	Charge for the year	–	9,128	6,148	20,640	910,644	–	946,560
	Disposal/Adjustments	–	–	–	–	2,135,800	–	2,135,800
	As at 31st March, 2017	**–**	**313,961**	**847,863**	**740,238**	**5,795,502**	**85,105**	**7,782,669**
	Charge for the period	–	15,563	6,147	20,640	910,644	–	952,994
	Disposal/Adjustments	–	–	–	–	–	–	–
	As at 31st March, 2018	**–**	**329,524**	**854,010**	**760,878**	**6,706,146**	**85,105**	**8,735,663**
3	**Net Block**							
	As at 1st April, 2016	–	44,870	44,301	54,874	2,896,143	4,480	3,044,668
	As at 31st March, 2017	–	35,742	102,863	125,878	1,873,088	4,480	2,142,051
	As at 31st March, 2018	**–**	**61,579**	**96,716**	**105,238**	**962,444**	**4,480**	**1,230,457**
	Capital WIP							
	As at 1st April, 2016							–
	As at 31st March, 2017							–
	As at 31st March, 2018							**2,702,430**

	Particulars	**As at 31.03.2018 ₹**	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 5 - INVESTMENTS				
Investment in Equity Instruments				
2	**Investment in Other Companies**			
	Fully paid Equity Shares - Unquoted			
	150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March, 2017 - 150) (1st April, 2016 - 150)	**15,000**	15,000	15,000
	Total	**15,000**	15,000	15,000
	Aggregate Cost of Quoted Investments	**–**	–	–
	Aggregate Market Value of Quoted Investments	**15,000**	15,000	15,000
	Aggregate Cost of Unquoted Investments	**15,000**	15,000	15,000

Notes on Consolidated Financial Statements for the year ended March 31, 2018

Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 6 - OTHER NON-CURRENT FINANCIAL ASSETS			
1 Security Deposit	**551,800**	317,462	277,868
1 Advance to Supplier	**6,178,800**	6,159,800	6,301,350
Total	**6,730,600**	6,477,262	6,579,218
NOTE 7 - TRADE RECEIVABLES			
Current trade recievablces			
1 Unsecured, Considered Good			
a Outstanding for more than six months	**193,332,926**	193,048,306	251,669,935
b Others (Dues from Related Parties)	**–**	–	–
Total	**193,332,926**	193,048,306	251,669,935
NOTE 8 - CASH AND SHORT-TERM DEPOSITS			
1 Cash on hand	**20,868**	64,431	467,376
2 Balance with Banks - In Current Account	**558,678**	639,198	839,505
Total	**579,547**	703,629	1,306,882
NOTE 9 - OTHER BANK BALANCES			
1 Earmarked Balances with Banks (Unpaid Dividend)	**1,795,357**	1,795,357	1,795,557
Total	**1,795,357**	1,795,357	1,795,557
NOTE 10 - LOANS AND ADVANCES			
Secured, Considered good			
a Others			
1 Loans to Staff	**2,000**	89,000	65,000
Total	**2,000**	89,000	65,000
NOTE 11 - OTHER CURRENT ASSETS			
1 Prepaid Expenses	**38,885**	33,238	90,544
2 Balance with Government Parties	**9,354,251**	8,651,712	8,585,282
3 Other Advances	**2,702,430**	2,702,430	2,803,996
Total	**12,095,566**	11,387,380	11,479,822

Notes on Consolidated Financial Statements for the year ended March 31, 2018

Particulars	**As At 31.03.2018**		As At 31.03.2017		As At 01.04.2016	
	Number	**₹**	Number	₹	Number	₹
NOTE 12 : SHARE CAPITAL						
Authorised						
Equity Shares of Rs. 10 each	**8,000,000**	**80,000,000**	8,000,000	80,000,000	8,000,000	80,000,000
		80,000,000		80,000,000		80,000,000
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000
Add: Forfeited Share		–		–		–
Total	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000

(a) Reconciliation of the nos of shares & amount outstanding as at the beginning and at the end of the year

Particulars	**As At 31.03.2018**		As At 31.03.2017		As At 01.04.2016	
	Number	**₹**	Number	₹	Number	₹
Shares outstanding at the beginning of the year	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000
Shares Issued during the year	**–**	**–**	–	–	–	–
Shares bought back during the year	**–**	**–**	–	–	–	–
Shares outstanding at the end of the year	**5,330,400**	**53,304,000**	5,330,400	53,304,000	5,330,400	53,304,000

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and ranks pari passu.

(c) Details of Shareholders holding more than 5% of the shares in the Company

Particulars	**As At 31.03.2018**		As At 31.03.2017		As At 01.04.2016	
Name of Equity Share Holders	**No. of Shares**	**% of Holding**	No. of Shares	% of Holding	No. of Shares	% of Holding
Sunny Sunil Gandhi	**1,320,800**	**24.78%**	1,320,800	24.78%	1,320,800	24.78%
Gunvanti Chandrakant Gandhi	**375,000**	**7.04%**	375,000	7.04%	375,000	7.04%

Notes on Consolidated Financial Statements for the year ended March 31, 2018

Particulars	Reserve and Surplus			Other Comprehensive Income			
	Capital Reserve	Profit and loss account	General Reserve ₹	Exchange differences on translation of foreign operations ₹	Total ₹	Total attributable to owners of the Company	Attributable to Non-controlling interests
NOTE 13 - OTHER EQUITY							
Balance as at 1 st April, 2016	598,000	44,076,277	569,718	1,978,803	47,222,799	47,222,799	–
Additions during the year:				–	–	–	–
Profit/(Loss) for the year	–	(24,634,520)	–	–	(24,634,520)	(24,634,520)	–
Prior period adjustment	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	(761,531)	(761,531)	(761,531)	–
Balance as at 31st March, 2017	**598,000**	**19,441,757**	**569,718**	**1,217,273**	**21,826,748**	**21,826,748**	**–**
Additions during the year:	–	–	–	–	–	–	–
Profit/(Loss) for the year	–	(16,812,182)	–	–	(16,812,182)	(16,812,182)	–
Prior period adjustment	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	99,347	99,347	99,347	–
Balance as at 31st March, 2018	**598,000**	**2,629,575**	**569,718**	**1,316,619**	**5,113,912**	**5,113,912**	**–**

Particulars	**As at 31.03.2018 ₹**	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 13 - OTHER EQUITY			
1 **Other Reserves**			
a **Capital Reserve**			
Balance as per Last financial statements	**598,000**	598,000	598,000
Additions during the year	**–**	–	–
Closing Balance	**598,000**	598,000	598,000
b **General Reserves**			
Balance as per Last financial statements	**569,718**	569,718	569,718
Additions during the year	**–**	–	–
Closing Balance	**569,718**	569,718	569,718
	1,167,718	1,167,718	1,167,718
2 **Retained Earnigs**			
a Balance as per Last financial statements	**19,441,757**	44,076,277	53,630,586
Changes during the year	**(16,812,182)**	(24,634,520)	(9,554,309)
Balance at the end of the year	**2,629,575**	19,441,757	44,076,277
3 **Other Comprehensive Income**			
a Remeasurement of Defined Benefit Plan	**–**	–	–
Additions during the year (Refer Note - _____)	**–**	–	–
Balance at the end of the year	**–**	–	–
b Exchange differences on translating the financial statements of a foreign operations	**1,217,273**	1,978,803	–
Additions during the year	**99,347**	(761,531)	1,978,803
Balance at the end of the year	**1,316,619**	1,217,273	1,978,803
Total	**5,113,912**	21,826,748	47,222,799

Notes on Consolidated Financial Statements for the year ended March 31, 2018

	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 14 - PROVISIONS				
1	Provision For Tax (Net of Advance Tax)	**7,234,261**	7,234,261	7,234,261
	Total	**7,234,261**	7,234,261	7,234,261
NOTE 15 - BORROWINGS				
Current Borrowings				
Loan Repayable on Demand (Unsecured)				
1	- From Directors	**58,442,679**	32,008,930	17,650,053
2	- From Others (Inter corporate Borrowings)	**82,614,340**	71,691,893	69,951,737
	Total	**141,057,019**	103,700,823	87,601,790
NOTE 16 - TRADE & OTHER PAYABLES				
1	Trade payables	**11,066,034**	30,087,749	84,251,813
2	Creditors for expenses	**1,844,656**	1,255,281	780,275
	Total	**12,910,690**	31,343,030	85,032,089
NOTE 17 - OTHER CURRENT LIABILITIES				
1	TDS Payable	**78,988**	64,281	42,364
2	VAT Payable	**–**	–	1,140
3	Other Payables	**2,094**	110,726	113,994
4	Unpaid Dividend*	**1,795,357**	1,795,357	1,795,557
	Total	**1,876,439**	1,970,364	1,953,056
NOTE 18 - SHORT TERM PROVISIONS				
1	Provision for Employee Benefits	**140,400**	167,258	126,725
2	Provision For Expenses	**8,840**	39,487	38,299
	Total	**149,240**	206,745	165,024
NOTE 19 - OTHER INCOME				
1	Rent Income	**–**	–	60,000
2	Foreign Exchange Gain/Loss	**301,868**	(3,480,299)	10,879,215
3	Profit on Sale of Assets	**–**	65,367	3,255,445
4	Balance Written Off	**2,195,780**	1	-
	Total	**2,497,648**	(3,414,931)	14,194,660
NOTE 20 - CHANGES IN INVENTORIES				
1	Closing Stock	**5,177,920**	3,317,049	6,011,081
2	Opening Stock	**3,317,049**	6,011,081	16,187,252
	Total	**(1,860,871)**	2,694,032	10,176,171

Notes on Consolidated Financial Statements for the year ended March 31, 2018

	Particulars	**As at 31.03.2018 ₹**	As at 31.03.2017 ₹	As at 01.04.2016 ₹
NOTE 21 - EMPLOYEE BENEFIT EXPENSE				
1	Salaries, Wages, Bonus	**2,037,700**	2,280,000	2,515,500
2	Staff Welfare Expenses	**60,704**	136,829	162,678
3	Director's Remuneration	**1,625,000**	1,625,000	1,625,000
	Total	**3,723,404**	4,041,829	4,303,178
NOTE 22 - FINANCE COST				
1	Interest on Loan	**638,905**	–	436,745
2	Crstallised OD Interest	**–**	–	9,413,323
3	Interest on Term Loans	**–**	–	1,247,363
4	Interest on Unsecured Loans	**10,834,927**	11,255,156	2,751,737
5	Bank charges	**111,099**	212,742	117,633
	Total	**11,584,931**	11,467,898	13,966,801
NOTE 23 - OTHER EXPENSE				
2	Insurance Expenses	**89,226**	127,236	177,444
3	Legal and Professional Fess	**1,267,463**	1,641,946	1,335,617
4	Travelling expenses	**15,480**	218,768	96,568
5	Rent Expense	**1,538,880**	1,419,373	1,142,821
6	Repair & Maintenance	**48,050**	3,738	86,764
7	Interest on Late payment	**31,649**	10,770	–
8	Sales promotion including publicity	**16,686**	31,607	53,111
9	Payment to Auditors	**125,000**	172,500	230,000
10	Conveyance expenses	**31,262**	57,979	58,187
11	Telephone expenses	**43,453**	380,612	477,941
12	Interest on TDS	**1,639**	9,386	18,972
13	Interest on Other Statutory Dues	**321**	27	–
14	Penalty - BSE	**–**	17,250	–
15	Other Expenses	**891,942**	1,243,017	1,090,335
	Total	**4,101,051**	5,334,209	4,767,760
NOTE 24 - EARNING PER SHARE				
Profit (Loss) for the year		**(16,812,182)**	(24,634,520)	
Weighted average No. of shares outstanding during the year		**5,330,400**	5,330,400	
Nominal value of shares		**10**	10	
Basic / Diluted Earnings Per Share		**-3.15**	-4.62	

Note 25 - Related Party Disclosure

The Management has identified the following entities and individuals as related parties of the Group for the year year ended March 31, 2018 for the purposes of reporting as per Ind AS 24 - Related Party Disclosures, which are as under:

A) Holding, Subsidiaries, Fellow Subsidiaries, and Associates

1)	Holding Company	None
2)	Subsidiaries:	Refer Note 2(f)
3)	Fellow Subsidiary:	None
4)	Associates:	None
5)	Key Management Personnel and relative of key management personal:	Sunil Chandrkant Gandhi (Managing Director) Sunny Sunil Gandhi (Chief Financial Officer).
6)	Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year :	K. D. Shah Investments Pvt. Ltd.

B) Transaction with related parties

	Name of Related Party	Category	As at 31.03.2018 ₹	As at 31.03.2017 ₹
1	Sunny Sunil Gandhi	Remuneration	**650,000**	650,000
2	Nirav Ketan Bhai Shah	Remuneration	**975,000**	975,000
3	Sunil C. Gandhi	loan Repaid	**333,118**	326,238
4	Sunny Sunil Gandhi	Loans Received	**26,755,026**	13,630,262

C) Balance outstanding at the year end

	Name of Related Party	Category	As at 31.03.2018 ₹	As at 31.03.2017 ₹
1	Sunil C Gandhi	Loan from Director	**163,966**	497,084
2	Sunny Sunil Gandhi	Loan from Director	**54,427,920**	27,672,894

Note 26 - Note on Corporate Social Responsibility

(a) Gross amount required to be spent by the Group during the year is ₹ Nil.

(b) Amount spent by the Group during the year is ₹ Nil.

Note 27 : Financial Instrument

The Group uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

i) Financial Assets

Particulars	**Instruments carried at**			**Total carrying amount** ₹	**Total fair value** ₹
	At Cost	**Fair Value FVTPL**	**Amortized cost Carrying amt.** ₹		
As at 1st April, 2016					
Cash and Cash Equivalents (Note 8)			1,306,882	1,306,882	1,306,882
Investment (Note 5)			15,000	15,000	15,000
Trade receivable (Note 7)			251,669,935	251,669,935	251,669,935
Other Financial Assets (Note 6)			6,579,218	6,579,218	6,579,218
Total	–	–	**259,571,035**	**259,571,035**	**259,571,035**
As at 31st March, 2017					
Cash and Cash Equivalents (Note 8)			703,629	703,629	703,629
Investment (Note 5)			15,000	15,000	15,000
Trade receivable (Note 7)			193,048,306	193,048,306	193,048,306
Other Financial Assets (Note 6)			6,477,262	6,477,262	6,477,262
Total	–	–	**200,244,198**	**200,244,198**	**200,244,198**
As at 31st March, 2018					
Cash and Cash Equivalents (Note 8)			579,547	579,547	579,547
Investment (Note 5)			15,000	15,000	15,000
Trade receivable (Note 7)			193,332,926	193,332,926	193,332,926
Other Financial Assets (Note 6)			6,730,600	6,730,600	6,730,600
Total	–	–	**200,658,073**	**200,658,073**	**200,658,073**

ii) **Financial Liabilities**

Particulars	Instruments carried at At Cost	Fair Value FVTPL	Amortized cost Carrying amt. ₹	Total carrying amount ₹	Total fair value ₹
As at 1st April, 2016					
Borrowings (Note - 14)			87,601,790	87,601,790	87,601,790
Trade and other payables (Note - 16)			85,032,089	85,032,089	85,032,089
Total	–	–	**172,633,879**	**172,633,879**	**172,633,879**
As at 31st March, 2017					
Borrowings (Note - 17)			103,700,823	103,700,823	103,700,823
Trade and other payables (Note - 18)			31,343,030	31,343,030	31,343,030
Total	–	–	**135,043,853**	**135,043,853**	**135,043,853**
As at 31st March, 2018					
Borrowings (Note - 17)			141,057,019	141,057,019	141,057,019
Trade and other payables (Note - 18)			12,910,690	12,910,690	12,910,690
Total	–	–	**153,967,710**	**153,967,710**	**153,967,710**

Note 28: First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first time the group has prepared in accordance with Ind AS . For periods up to and including the year ended March 31, 2017, the Group prepared its annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. These note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016, the Group's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 Optional Exemptions and Mandatory Exceptions applied in the transition from IGAAP to Ind AS.

A. Optional Exemptions availed :

Deemed Cost - Property, Plant and Equipment and Intangible Assets:

As permitted by Ind AS 101, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April,2016 (date of transition) measured as per the IGAAP and used that carrying value as its deemed cost as of the date of transition.

B. Optional Exemptions availed :

Estimates:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS presented in the entity's first Ind AS Financial Statements as the case may be, should be consistent with estimates made for the same date in accordance with the IGAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under IGAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance Sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirements. Key estimates considered in preparation of the Financial Statements that were not required under the previous GAAP are listed below.

i. Fair valuation of financial instruments carried at FVTPL and/or FVOCI.

ii. Impairment of financial assets based on the expected credit loss model.

iii. Determination of the discounted value for financial instruments carried at amortized cost.

Derecognition of Financial Assets and Liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 101, Financial Instruments,"prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 prospectively.

Classifications and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

There being no impact on the conversion of the IGAAP into IND AS, there are no items of reconciliation.

Note 29: Financial risk management objectives and policies

Financial Risk Management

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Group's senior management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the company. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group and provide assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The activities are designed to protect the Group's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Group's financial investments while maximizing returns.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk in the financial statements.

Sr. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis Credit rating	Credit limit set and Ageing analysis protect Company from potential losses due to excess credit to the customers
2	Liquidity Risk	Borrowing and other liabilities	Rolling Cash flow forecasts	Availability of committed credit lines and borrowing facilities
3	Market Risk- Interest Rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
4	Market Risk- Foreign Exchange	Future commercial transactions recognized financial assets and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
5	Commodity Risk	Purchase of Raw Material	Fluctuation in Imported material	Procurement and Inventory strategy

1. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Group considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

i) Actual or expected significant adverse changes in business.

ii) Actual or expected significant changes in the operating results of the counterparty.

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty’s ability to meet its obligations.

iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Group categorizes financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Group continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Provision for expected credit losses:

Description of Category	Category	Basis for recognition of expected credit loss provision Investments Loans and Deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and wher there has been low frequency of defaults in the past	Quality assets, low credit risk	12 month expected credit losses	
Assets where the probability of default is moderate and where the capacity of counter-party to meet the obligations is not strong	Standard assets, moderate credit risk	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	
Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.	Low quality assets, very high credit risk	Life time expected credit losses	
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.	Doubtful assets, credit impaired	Asset is written off	

i) Expected credit loss for loans and deposits:

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2018						
Loans and Deposits	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	6,732,600	–	–	6,732,600
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2017						
Loans and Deposits	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	6,566,262	–	–	6,566,262
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–
As at 31st March, 2016						
Loans	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	6,644,218	–	–	6,644,218
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

ii) Expected credit loss for trade receivables

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2018						
Trade Rece-ivables	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	193,332,926	–	–	193,332,926
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Asset Group	Particulars	Description of category	Estimated gross carrying amt. at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2017						
Trade Rece-ivables	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	193,048,306	–	–	193,048,306
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–
As at 31st March, 2016						
Loans	Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	251,669,935	–	–	251,669,935
NA	Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	–	–	–	–

Expected credit loss for trade receivables under simplified approach

Debtors' Ageing:

Due from date of invoice	**As at 31.03.2018 ₹**	As at 31.03.2017 ₹	As at 01.04.2016 ₹
0-3 Months	**–**	181,654	–
3-6 Months	**–**	–	–
6-12 Months	**–**	–	–
Beyond 12 Months	**193,332,926**	193,048,306	251,669,935
Gross carrying amount	**193,332,926**	193,229,960	251,669,935
Expected Credit Loss	**–**	–	–
Net carrying amount	**193,332,926**	193,229,960	251,669,935

2. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturity pattern of borrowings and Trade Payables:

Particulars	Refer Note	0-1 year	1-5 years	Total
As at 31st March, 2018				
Borrowings	14	141,057,019	–	141,057,019
Trade Payables	16	113,320	12,797,370	12,910,690
Total		**141,170,339**	**12,797,370**	**153,967,710**
As at 31st March, 2017				
Borrowings	14	103,700,823	–	103,700,823
Trade Payables	16	208,104	31,134,926	31,343,030
Total		**103,908,927**	**31,134,926**	**135,043,853**
As at 1st April, 2016				
Borrowings	14	87,601,790	–	87,601,790
Trade Payables	16	63,105,748	21,926,341	85,032,089
Total		**150,707,538**	**21,926,341**	**172,633,879**

3. Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

i) Currency risk

The Group is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Group's functional currency (?), primarily in respect of US$ and AED. The Group ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

	As at March 31, 2018		As at March 31, 2017	
Financial Assets	Amount (US $)	(₹)	Amount (US $)	(₹)
Trade receivable	**2,975,231**	**193,332,926**	2,975,231	193,048,306
Total-Financial Assetes	**2,975,231**	**193,332,926**	2,975,231	193,048,306

Sensitivity analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 & March 31, 2017 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below :

	Profit or Loss March 31, 2018		Profit or Loss March 31, 2017	
Effect in INR	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (Increase/decrease by 0.5%, Profit (Loss) March 31, 2018 - 5%, Profit (Loss) March 31, 2017 - 4%)	**966,665**	**(966,665)**	965,242	(965,242)
Total	**966,665**	**(966,665)**	965,242	(965,242)

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Since the Group does not have sizable borrowings, the interest sensitivity analysis for the interest rate is not undertaken by the management.

Note 31

The company has a contingent liability of income tax of ₹ 4,480 in respect for A.Y. 2008-09, ₹ 104 in respect for A.Y. 2009-10, ₹ 5,26,130 in respect for A.Y. 2011-12, ₹ 40,50,090 in respect for A.Y. 2012-13, ₹ 1,17,12,740 in respect for A.Y. 2013-14, ₹ 23,79,640 in respect for A.Y. 2014-15.

Note 32

The company is engaged in only one business segment i.e. trading in Gems and precious metals. Hnece, Segment Reporting as defined in Ind-AS 108 is not applicable.

Note 33

The company has not undertaken the acturial valuation as per IND AS 19. Hence the disclosure with regards to the same is not provided.

Note 34

Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For **Shah Khakhi & Associates**
Chartered Accountants
Firm No. : 0126506W

Snehal R. Shah
Partner
Membership No. : 113347

Mumbai, 29th May, 2018.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2018.

SUNRAJ DIAMOND EXPORTS LIMITED

Regd. Office : 1412-1414, Prasad Chambers, Opera House, Mumbai - 400004.
CIN : L36912MH1990PLC057803

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Member's Folio No. ....

DP ID No. ....

Name of the attending Member (In Block Letters) Client ID No...

Name of the Proxy (In Block Letters)
(to be filled if the Proxy attends instead of the Members)

No. of Shares held ....

I hereby record my presence at the 28thAnnual General Meeting of Sunraj Diamond Exports Limited being held on Friday, the 28th September, 2018 at 11.30a.m at Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.

....
Member's / Proxy's Signature

Note: Please complete this slip and hand it over at the entrance of the Meeting venue.

SUNRAJ DIAMOND EXPORTS LIMITED

Regd. Office : 1412-1414, Prasad Chambers, Opera House, Mumbai - 400004.
CIN : L36912MH1990PLC057803

PROXY FORM

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

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./DP ID-client ID :

I/We, ... being the member(s) of .... shares of the above named company, hereby appoint.

1 Name	Address
E-mail id	Signature or failing him/her
2 Name	Address
E-mail id	Signature or failing him/her
3 Name	Address
E-mail id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28thAnnual General Meeting of the Company, to be held on Friday, the 28thSeptember, 2018 at 11.30 a.mat Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Tick	
Ordinary Business		For	Against
1	Adoption of Audited Financial Statement alongwith Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2018		
2	Re-appointment of Mr.Nirav Shahas Director, who retires by rotation.		
3	Appointment of Mr. Pravin Shah as Independent Director for a term of 5 years.		

Signed this .... day of .... 2018.

Affix Re.1 Revenue Stamp

Signature of Proxyholder(s) .... Signature of Member ....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 28thAnnual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

By Courier / Post

To,

If undelivered, please return to :

Sunraj Diamond Exports Ltd.

1412-1414, Prasad Chambers,

Opera House, Mumbai - 400004.