

SUNRAJ DIAMOND EXPORTS LTD.



**30TH ANNUAL REPORT
2019 - 2020**

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

Sunny S. Gandhi	: Whole Time Director
Sunil Gandhi (Resigned w.e.f. 29.11.2019)	: Director
Nirav Shah (Resigned w.e.f. 29.11.2019)	: Director
Shruti Gandhi	: Director
Pravin Shah	: Independent Director
Shivil Kapoor (Appointed w.e.f. 29.11.2019)	: Independent Director

CHIEF FINANCIAL OFFICER

Prabodhchandra Joshi

COMPANY SECRETARY & COMPLIANCE OFFICER

Anshul Garg

BANKERS

State Bank of India
Bank of Baroda
IndusInd Bank Ltd.
HDFC Bank Ltd.

STATUTORY AUDITOR

M/s. Anoop Agarwal & Co.

REGISTRARS & SHARE TRANSFER AGENTS

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

616, Prasad Chambers, 6th Floor, Plot CS 1487, Tata Road,
2, Roxy Cinema, Opera House, Girgaon, Mumbai - 400 004.

NOTICE FOR ANNUAL GENERAL MEETING

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

Registered Office: 616 Prasad Chambers, 6th Floor, Plot CS 1487, Tata Road,
2, Roxy Cinema, Opera House, Girgaon, Mumbai - 400 004.

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of **SUNRAJ DIAMOND EXPORTS LIMITED** will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on Wednesday, 5th day of May, 2021 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) i.e. Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss Account and the Cash Flow statement for the financial year ended on 31st March, 2020 and the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mrs. Shruti Sunny Gandhi (DIN06947535), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Govind Prasad & Co., Chartered Accountants, (FRN No. 114360W) be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of 5 years, from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting to be held in the year 2025 on such remuneration and reimbursement of out of pocket expenses as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

For and on behalf of the Board of Directors

ANSHUL GARG

Company Secretary
(Membership No. A43709)

Registered Office

616, Prasad Chambers, 6th Floor,
Plot CS 1487, Tata Road, 2, Roxy Cinema,
Opera House, Girgaon, Mumbai - 400 004.

Dated: 8th April, 2021.

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively “MCA Circulars”), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 30th AGM of the Company is being convened and conducted through VC.

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2. The Company has enabled the Members to participate at the 30th AGM through the VC facility provided by NSDL. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. In addition to the above, the proceedings of the 30th AGM will be web-casted live for all the shareholders as on the cut-off date i.e Wednesday, 28th April, 2021, The shareholders can visit and login through existing user id and password to watch the live proceedings of the 30th AGM on Wednesday 5th May, 2021 from 11.00 AM IST onwards.
4. As per the provisions under the MCA Circulars, Members attending the 30th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 30th AGM being held through VC.
6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
7. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 30th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 30th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. Corporate Members are required to access the link and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Members and Share Transfer books will remain closed from 29th April, 2021 to 5th May, 2021 (both days inclusive).
11. In line with the MCA Circulars, the Notice of the 30th AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website at www.sunrajdiamonds.com/, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of Adroit Corporate Services Pvt. Ltd. at www.adroitcorporate.com
12. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Adroit Corporate Services Pvt. Ltd., 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059. E-mail: support@adroitcorporate.com

Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by send an email to support@adroitcorporate.com.

13. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 30th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to support@adroitcorporate.com.
14. The details of the Directors seeking appointment / re-appointment at the 30th AGM are provided in Annexure I of this Notice. The Company has received the requisite consents / declarations for the appointment / re-appointment under the Companies Act, 2013 and the rules made thereunder.
15. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
16. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
17. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:- a) the change in the residential status on return to India for permanent settlement.
18. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Company's Registrar and Share Transfer Agent (Adroit Corporate Services Private Limited) for revalidation and encashment before the due dates. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website <http://www.iepf.gov.in/> and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
19. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent from its office address.
20. The Company has appointed Mr. Kiran Doshi, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
21. 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.
22. The Results declared alongwith the Scrutinizer's report shall be placed on the website of NSDL 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.

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23. The following documents will be available for inspection by the Members electronically during the 30th AGM. Members seeking to inspect such documents can send an email to support@adroitcorporate.com.
 - a) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.
24. In case of any queries regarding the Annual Report, the Members may write to support@adroitcorporate.com to receive an email response.
25. As the 30th AGM is being held through VC, the route map is not annexed to this Notice.

Process for e-voting:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sunrajdiamonds.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
5. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 2nd May, 2021 at 09:00 A.M. and ends on 4th May, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

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

Details on Step 1 is mentioned below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

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- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kiran@cskdco.com <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@sunrajdiamonds.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16

digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@sunrajdiamonds.com

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

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

For and on behalf of the Board of Directors

ANSHUL GARG
Company Secretary
(Membership No. A43709)

Registered Office

616, Prasad Chambers, 6th Floor,
Plot CS 1487, Tata Road, 2, Roxy Cinema,
Opera House, Girgaon, Mumbai - 400 004.

Dated: 8th April, 2021.

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

Item No. 3

M/s Govind Prasad &Co, Chartered Accountants, (FRN No. 114360W) showed his willingness to be appointed as the Statutory Auditor of the Company for a period of 5 years, from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting to be held in the year 2025.

Hence, approval of the Members is sought for the resolution proposed at item number 3 of the notice. The Board of Directors recommended the resolutions for your approval.

None of the Directors and Key Managerial Personnel are interested in these resolutions.

For and on behalf of the Board of Directors

ANSHUL GARG
Company Secretary
(Membership No. A43709)

Registered Office

616, Prasad Chambers, 6th Floor,
Plot CS 1487, Tata Road, 2, Roxy Cinema,
Opera House, Girgaon, Mumbai - 400 004.

Dated: 8th April, 2021.

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

1.	Name of Director	Mrs. Shruti Sunny Gandhi
2.	Director Identification Number (DIN)	06947535
3.	Date of Birth	29.03.1984
4.	Date of Appointment	14.08.2014
5.	Experience in specific areas	Mrs. Shruti Gandhi has completed her M.Com and has experience with management and finance related skills.
6.	Academic Qualifications	M.Com
7.	Directorship in Other Companies	Nil
8.	Committee position held in other companies	Nil
9.	Shareholding in the Company (No. of shares)	Nil
10.	No. of meetings of the Board held/attended during the year	
	Held	7
	Attended	7
11.	Remuneration	0

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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 30th Annual Report and Audited Statement of Accounts of your Company for the year ended 31st March, 2020.

FINANCIAL RESULTS:

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

Particulars	Standalone		Consolidated
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020
Sales and Other Income	2,12,65,770	3,02,82,400	2,12,65,770
Profit / (Loss) before Interest and Depreciation	53,93,587	56,57,009	(81,10,007)
Less Interest & Finance Expenses	69,77,193	1,09,28,171	(69,77,193)
Profit/(Loss) before Depreciation	(15,83,606)	(52,71,162)	(1,50,87,200)
Less: Depreciation	3,29,408	3,38,532	3,29,408
Profit/(Loss) Before Taxation	(19,13,014)	(56,09,694)	(1,54,16,608)
Less: Provision for Taxation (Net)	NIL	NIL	NIL
Less/Add: Deferred Tax	3,19,889	1,38,519	3,19,889
Profit/(Loss) for the year	(2449392)	(58,95,465)	(1,57,36,497)
Less: Tax Adjustment relating to prior years	2,16,489	4,24,281	2,16,489
Add: Surplus brought forward from Previous year	(2,78,42,503)	(2,19,47,047)	(1,57,63,617)
Balance Carried to Balance Sheet	(3,02,91,895)	(2,78,42,503)	(3,17,16,602)

Operations

Your Company has recorded a turnover of ₹ 77.60 lacs during the year under review as opposed to ₹ 192.81 lacs in the previous year.

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 2020, and the date of the Directors' Report.

Directorate:

In accordance with the Companies Act, 2013 and the Articles of Association of your Company, Mrs. Shruti Sunny Gandhi retires by rotation and is eligible for re-appointment.

Brief profiles of the Directors seeking re-appointment 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 Seven 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, Mr. Prabodhchandra Joshi, Chief Financial Officer and Mr. Anshul Garg, Company Secretary are 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.

SUNRAJ DIAMOND EXPORTS LTD.

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. 27(b) 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

The Board of Directors recommends the appointment of M/s. Govind Prasad and Co Chartered Accountants having Firm Registration No 114360W with Institute of Company Secretaries of the Company (ICAI) as the Statutory Auditor of the Company for the period of 5years till the conclusion of 35th AGM of the Company.

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) Rule, 2014 the Company has appointed Mrs. Grishma Khandwala, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in the prescribed Form No. MR-3 is annexed herewith.

QUALIFICATION IN SECRETARIAL AUDIT REPORT AND EXPLANATIONS BY THE BOARD:

Qualifications made by Secretarial Auditor	Explanations by the Board
a) The Company has not transferred Unclaimed Dividend for the financial years 2011-2012 and 2012 - 2013 to the Investor Education & Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013 and Rules made thereunder. The Company transferred Unclaimed Dividend for the financial year 2010 - 2011 to the Investor Education & Protection Fund (IEPF), during the year 2019 - 2020, which transfer was on a delayed basis.	The Company will take necessary steps to comply with the transfer of Unclaimed dividend to IEPF.
b) The Company has not transferred the Shares on which Dividend has not been claimed for 7 consecutive years as per the provisions of Sections 124 & 125 of the Companies Act, 2013 and Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	The Company will take necessary steps to comply with the transfer of Shares to IEPF.
c) The Company has not filed Form MR - 1 pertaining to re-appointment of Whole-time Director and remuneration payable to him as required by Rule 3 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The company will take necessary steps to complete the filing.
d) The Company appointed a whole-time Company Secretary with effect from 7th May, 2019 as required under Section 203 of the Act. This was a late appointment and hence the Company was late in nominating a qualified Company Secretary as Compliance Officer in terms of SEBI (LODR) Regulations, 2015.	The Company did not find suitable candidate so there was delay in the Appointment of the Company Secretary, however Company complied and appointed whole time company secretary w.e.f 7th May, 2019

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e) Information to be provided on the Company's website has not been updated as per the requirements of SEBI (LODR) Regulations, 2015.	The company will take necessary steps to update website with regard to various policies which are pending.
f) The Company has not complied with certain Regulations of SEBI (LODR) Regulations, 2015 as regards publication of Notice of Board Meeting.	The Company will take necessary steps to comply with the same.
g) The Company has not submitted quarterly compliance report on corporate governance as required under Regulation 27(2) of SEBI (LODR) Regulations, 2015.	The Company will take necessary steps to comply with the same.
h) The Company has not submitted the Annual Secretarial Compliance Report for the year ended 31st March, 2019 in terms of SEBI Circular bearing reference CIR/CFD/CMD1/27/2019 dated 8th February, 2019.	The Company was unaware of the Compliance, However Company will ensure to comply the same in future.
i) BSE has given notice to the Company that the Company's scrips have been shifted to "Z / ZP / ZY" group with effect from 28th May, 2019, due to non-compliance with Regulation 27 (2) of SEBI (LODR) Regulations, 2015.	The Company will take necessary steps to comply with the same.
j) The Annual General Meeting for the year ended 31st March 2020, has not been held within the time prescribed under the Act, and the general extension granted by the Registrar of Companies, Mumbai, vide Order dated 8th September, 2020. The Company has not made an application to the Registrar of Companies for extension of time for holding the Annual General Meeting after 31st December, 2020.	Due to Covid-19, Company was unable to finalize the Financial results due to which there was delay in conveying Annual General Meeting, However Company assures to comply the same in future.

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

Place : Mumbai,
Dated : 8th April, 2021.

SUNNY GANDHI
Wholetime Director
DIN No.00695322

SHRUTI GANDHI
Director
DIN No.06947535

SUNRAJ DIAMOND EXPORTS LTD.

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sl No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20 (₹ in Lacs)	% increase in Remuneration in the financial year 2019-20
1	Mr. Sunny Gandhi - (Whole Time Director)	₹ 6.50 Lacs	Nil

- (ii) The median remuneration of employees of the Company during the financial year 2019-20 was ₹ 2,28,000
- (iii) In the financial year 2019-20, there was a decrease of 0.65% in the median remuneration of employees.
- (iv) There were 13 permanent employees on the rolls of Company as on 31st March, 2020.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 is 13.43% 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, 2020 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	Education	Age	Experience (In Years)	Date of Joining	Gross Remuneration p.a. (Paid in ₹)	Previous Employment
1	Mr. Sunny Gandhi	Wholetime Director	B.com	38	14	31/01/2006	6,50,000	NIL
2	Mr. Prabodh Joshi	CFO	B.com	61	36	16/11/2018	5,28,000	NIL
3	Ms. Yogita Pednekar	Accountant	B.com	42	11	20/07/2009	4,20,000	NIL
4	Mr. Suresh Mali	Administrative Staff	HSC	44	12	31/07/2008	4,07,000	NIL
5	Mr. Anshul Garg	Compliance Officer	C.S.			01/05/2019	2,71,000	NIL
6	Mr. Satyawan Shirsat	Administrative Staff	SSC	49	12	31/07/2008	2,40,000	NIL
7	Mr. Mahesh Anant Jadhav						2,28,000	NIL
8	Mr. Subhash Malekar	Administrative Staff	SSC	46	11	16/06/2009	1,80,000	NIL
9	Ms. Eesha Shah					01/11/2019	1,74,800	NIL
10	Mr. Tushar Ghegad	Administrative Staff	HSC	31	9	01/04/2011	1,68,000	NIL

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2020

[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, 2020 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, 2020 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 Applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable to the Company during the Audit Period;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable to 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.
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following qualifications:

- h) The Company has not transferred Unclaimed Dividend for the financial years 2011-2012 and 2012 - 2013 to the Investor Education & Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013 and Rules made thereunder. The Company transferred Unclaimed Dividend for the financial year 2010 - 2011 to the Investor Education & Protection Fund (IEPF), during the year 2019 - 2020, which transfer was on a delayed basis.
- i) The Company has not transferred the Shares on which Dividend has not been claimed for 7 consecutive years as per the provisions of Sections 124 & 125 of the Companies Act, 2013 and Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- j) The Company has not filed Form MR - 1 pertaining to re-appointment of Whole-time Director and remuneration payable to him as required by Rule 3 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- k) The Company appointed a whole-time Company Secretary with effect from 7th May, 2019 as required under Section 203 of the Act. This was a late appointment and hence the Company was late in nominating a qualified Company Secretary as Compliance Officer in terms of SEBI (LODR) Regulations, 2015.
- l) Information to be provided on the Company's website has not been updated as per the requirements of SEBI (LODR) Regulations, 2015.
- m) The Company has not complied with certain requirements of SEBI (LODR) Regulations, 2015 as regards publication of Notice of Board Meeting.
- n) The Company has not submitted quarterly compliance report on corporate governance as required under Regulation 27(2) of SEBI (LODR) Regulations, 2015.

SUNRAJ DIAMOND EXPORTS LTD.

- o) The Company has not submitted the Annual Secretarial Compliance Report for the year ended 31st March, 2019 in terms of SEBI Circular bearing reference CIR/CFD/CMD1/27/2019 dated 8th February, 2019.
- p) BSE has given notice to the Company that the Company's scrips have been shifted to "Z / ZP / ZY" group with effect from 28th May, 2019, due to non-compliance with Regulation 27 (2) of SEBI (LODR) Regulations, 2015.
- q) The Annual General Meeting for the year ended 31st March 2020, has not been held within the time prescribed under the Act, and the general extension granted by the Registrar of Companies, Mumbai, vide Order dated 8th September, 2020. The Company has not made an application to the Registrar of Companies for extension of time for holding the Annual General Meeting after 31st December, 2020.

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. Changes in the Board of Directors, during the year under review, have been effected in compliance with the requirements of the Act and Regulations.

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.

Sd/-

GRISHMA KHANDWALA

Company Secretary

ACS No. 6515

C.P. No. 1500

UDIN: A006515C000085176

Place : Mumbai,

Dated : 14th April, 2021

To,
The Members,
Sunraj Diamond Exports Limited

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

1. Maintenance of Secretarial Records 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. 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.

Place : Mumbai,
Dated : 14th April, 2021

Sd/-
GRISHMA KHANDWALA
Company Secretary
ACS No. 6515
C.P. No. 1500
UDIN: A006515C000085176

SUNRAJ DIAMOND EXPORTS LTD.

ANNEXURE - III

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:

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	: 616, Prasad Chambers, 6th Floor, Plot CS 1487, Tata Road, 2, Roxy Cinema, Opera House, Girgaon, 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 01-4-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% 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	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	1915005	0	1915005	35.93	1915005	0	1915005	35.93	0.00
Foreign									
a) Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	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	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
i-1) Others	0	0	0	0	0	0	0	0	0
i-2) Directors Relative	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	9100	9100	0.17	0	9100	9100	0.17	0.00
2. Non - Institutions									
a) Bodies Corp.									
i) Indian	45527	16700	62227	1.17	52195	16700	68895	1.29	0.13
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	834153	1037900	1872053	35.12	833692	1032900	1866592	35.02	-0.10
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1259334	195731	1455064	27.30	1258593	195731	1454324	27.28	-0.01
c) Others (specify)	0	0	0	0	0	0	0	0	0
c-1) Non Resident Indians (Individuals)	13450	0	13450	0.25	12984	0	12984	0.24	0
c-2) Clearing Members	0	0	0	0	0	0	0	0.00	0.00
c-3) Trusts	3500	0	3500	0.07	3500	0	3500	0.07	0.00
Sub-total (B)(2):-	2155964	1250331	3406295	63.90	2160964	1245331	3406295	63.90	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2155964	1259431	3415395	64.07	2160964	1245331	3406295	64.07	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	4070969	1259431	5330400	100.00	4075969	1254431	5330400	100.00	0.00

SUNRAJ DIAMOND EXPORTS LTD.

B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2019)			Shareholding at the end of the year (as on 31st March, 2020)			% 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

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, 2019)		Date	(+)/Increase/(-)/Decrease in share holding	Reason	Shareholding at the end of the year (as on 31st March, 2020)	
		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, 2019)		Date	(+)/Increase/(-)/Decrease in share holding	Reason	Shareholding at the end of the year (as on 31st March, 2020)	
		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.	MAYANK S. GANDHI	247016	4.63	-	-	-	247016	4.63
3.	MAHESH CHIMANLAL PATEL	150500	2.82	-	-	-	150500	2.82
4.	TARABEN C SHAH	86618	1.62	06/03/2020	(+) 44703	-	131321	2.46
5.	MANTHAN C SHAH	116135	2.18	06/03/2020	(-) 44703	TRANSFER	71432	1.34
6.	NIKITA NIRAV SHAH	71828	1.35	-	-	-	71828	1.35
7.	SAVITABEN J. SHAH	56740	1.06	06/03/2020	(-) 6740	TRANSFER	50000	0.94
8.	NIKITA ANKUR SHAH	50000	0.94	-	-	-	50000	0.94
9.	VIKRAMJI S. THAKOR	50000	0.94	-	-	-	50000	0.94
10.	NAITIK C. SHAH	48359	0.91	-	-	-	48359	0.91

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	0	0
2.	SUNNY SUNIL GANDHI	1320800	24.78	1320800	24.78
3.	NIRAV SHAH	0	0	0	0
4.	HARGOVIND SHAH	0	0	0	0
5.	SHRUTI GANDHI	0	0	0	0
6.	PRAVIN SHAH	0	0	0	0
7.	SHIVIL KAPOOR	0	0	0	0
8.	ANSHUL GARG	0	0	0	0

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	11,97,61,975	0	11,97,61,975
ii) Interest due but not paid	-	-	0	-
iii) Interest accrued but not due	-	-	0	-
Total (i+ii+iii)	0	11,97,61,975	0	11,97,61,975
Change in Indebtedness during the financial year				
• Addition	555627	60,83,289	0	66,38,916
• Reduction	0	-	0	-
Net Change	555627	60,83,289	0	66,38,916
Indebtedness at the end of the financial year				
i) Principal Amount	555627	12,58,45,264	0	12,64,00,891
ii) Interest due but not paid	-	-	0	-
iii) Interest accrued but not due	-	-	0	-
Total (i+ii+iii)	555627	12,58,45,264	0	12,64,00,891

SUNRAJ DIAMOND EXPORTS LTD.

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	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	650,000	650,000
	(b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
	• As % of profit		
	• Others, specify		
5.	Others, please specify	0	0
	Total (A)	650,000	650,000
	Ceiling as per the Act	30,00,000	-

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shivil Kapoor	Pravin Shah	
1.	Independent Directors			
	Fee for attending board committee meetings	4,000	4,000	8,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	4,000	4,000	8,000
2.	Other Non-Executive Directors			
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B) = (1+2)	4,000	4,000	8,000

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	0	2,71,000	5,28,000	7,99,000
	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	0	2,71,000	5,28,000	7,99,000

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	}		Not Applicable		
Penalty					
Punishment					
Compounding					
B. DIRECTORS	}		Not Applicable		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	}		Not Applicable		
Penalty					
Punishment					
Compounding					

SUNRAJ DIAMOND EXPORTS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

The industry during the year 2019 - 2020 was at best stable without any major hurdles encountered. Prices of Raw Materials and Finished products were consistent throughout the year and business was picking up in most major markets across the world. However, the sudden halt due to the pandemic has left many receivables and companies holding excessive stock under threat. Due to several measures introduced by the RBI with regards to Industry boosting initiatives, there may be a delayed result with the effects of the sudden halt to business.

B) Opportunities and Threats :

The steady flow of availability of Raw materials and finished products saw plenty of trading opportunities throughout the financial year. The demand for Jewellery also made the business quite healthy. Currency remaining stable was another factor contributing to the stable business atmosphere. The rise of the Lab Grown Diamond Market is a cheaper alternative to expensive diamonds.

COVID is undoubtedly the central threat to the Industry. The revival of the small - medium players will be a hugely critical area. With global markets still far from their pre COVID levels, the demand for Jewellery may take some time to revive, putting downward pressure on the Diamond Industry.

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 dealing with the 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 now stable and will continue to do so. We expect 2020 - 2021 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 and liquidity issues as the major risks to conduct business post the COVID pandemic.

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 31st March, 2020 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 organization has to 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, 2020.

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 4 out of which 3 are Non-executive Directors (more than two thirds of the total Board strength) and among these 1 is Non-Executive Director, and 2 are Independent Directors.

The size and composition of the Board conforms to the requirements of Section 149 of the Companies, Act, 2013. The provisions of Regulations 17 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("LODR") do not apply to the Company.

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, Whole time Director is the son of Mr. Sunil Gandhi, Director and husband of Mrs. Shruti Gandhi, Director.

In the financial year 2019 - 2020, the Board met Seven times. The Board Meetings were held on (1) 07th May, 2019, (2) 29th May, 2019, (3) 01st June, 2019, (4) 13th August 2019, (5) 14th November, 2019, (6) 29th November, 2019 and (7) 14th February, 2020.

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.	Nil	1	7	7	Yes
			Sunraj Investments & Finance Pvt. Ltd.					
Mr. Hargovind Shah	Independent Director	Nil	Nil	1	1	7	6	Yes
Mr. Sunil Gandhi	Promoter NED	115000	Sunraj Investments & Finance Pvt. Ltd.	Nil	1	7	6	No
Mrs. Shruti Gandhi	Women Director NED	0	Nil	1	Nil	7	7	Yes
Mr. Pravin Shah	Independent Director	0	Nil	1	1	7	7	No

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.

SUNRAJ DIAMOND EXPORTS LTD.

Meeting of Independent Directors

The Independent Directors met once during the Financial Year 2019-20, 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:

The present composition of the Audit Committee is as under:

Member	Position	No. of Meetings attended
Mr. Shivil Kapoor	Member	4
Mr. Sunny Gandhi	Chairman	4
Mr. Pravin Shah	Member	4

The above composition duly meets the requirements as per Section 177 of the Companies Act, 2013. The provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 do not apply to the Company. 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. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

The Audit Committee met four times during the financial year 2019-20, on the following dates namely, 29th May, 2019, 13th August, 2019, 14th November, 2019 and 14th February, 2020 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 provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 do not apply to the Company.

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013. 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
Shivil Kapoor	Member	1	1
Sunny Gandhi	Member	1	1

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 Committee met once during the financial year 2019-20, on 14th February, 2020.

The details of remuneration paid to Directors/ Executive Directors for the financial year ended 31st March, 2020 are set out below:

The Independent Directors are paid only sitting fees for attending Board 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. Shivil Kapoor	4,000
Mrs. Shruti Gandhi	NIL
Mr. Pravin Shah	4,000
Total	8,000

Wholetime/ Executive Directors

Name	Salary
Mr. Sunny Gandhi	6,50,000
Total	6,50,000

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
Pravin Shah	Member	4	4

Stakeholders Relationship Committee met four times during the financial year 2019-20, on the following dates namely, 29thMay, 2019, 13thAugust, 2019, 14thNovember, 2019 and 14th February, 2020 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.

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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 31/03/2020
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	Location	Time
2018-2019	Monday 30/09/2019	Seva Sadan Hall, Pandita Ramabai Road, Gamdevi, Mumbai - 400007.	3.00 p.m.
2017-2018	Friday 28/09/2018	Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.	11.30 a.m
2016-2017	Thursday 21/09/2017	Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.	11.30 a.m

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 2016- 2017 AGM:**

No Special Resolution passed.

2. **In 2017- 2018 AGM:**

No Special Resolution passed.

3. **In 2018- 2019 AGM:**

Special Resolution pursuant to provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules thereunder, read with Schedule V to provisions of the Companies Act, 2013, the consent of the company, be and is hereby accorded to re-appoint Mr. Sunny Gandhi as a Whole-time Director for a term of 3 years commencing from 1st October, 2019 were passed at the AGM held on 30th September, 2019.

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. 30 of Financial Statements, Notes forming part of the Accounts for the year ended 31st March, 2020.

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 regularly.

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, 2020.

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 files its financial results with 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 | Wednesday, 5th May, 2021, at 11.00 a.m. |
| b. Venue | Video Conferencing / Audio Visual Means |
| 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 Regulations from time to time except in few cases. |
| d. Book Closure Period | 29th April, 2021 - 5th May, 2021 |
| e. Listing on Stock Exchanges at: | The Equity Shares of the Company are listed at the BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. |

SUNRAJ DIAMOND EXPORTS LTD.

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 2019- 2020 is furnished below:

Month & Year	Company's Share Price	
	High (₹)	Low (₹)
April 2019	7.31	6.63
May 2019	8.00	7.66
June 2019	N.T	N.T
July 2019	7.60	7.60
August 2019	7.25	7.22
September 2019	N.T	N.T
October 2019	6.86	6.86
November 2019	7.00	7.00
December 2019	N.T	N.T
January 2020	7.00	5.71
February 2020	5.60	5.60
March 2020	N.T	N.T

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, 2020

Sr. No.	Holders	No. of Shares Held	% of Total
A	Promoters Holding	1915005	35.93
B	Non-Institutional Investors		
a.	Bodies Corporate	66655	1.25
b.	Indian Public	3320916	62.30
c.	NRI's	12984	0.24
d.	Others	14840	0.28
	TOTAL	53,30,400	100.00

Distribution of Shareholding as on 31st March, 2020

No. of Shares	No. of Holders	% to Total	No. of Shares	% to Total
1 to 500	8340	94.42	1225353	22.99
501 to 1000	281	3.18	230037	4.32
1001 to 2000	100	1.13	149432	2.80
2001 to 3000	35	0.40	86426	1.62
3001 to 4000	15	0.17	55015	1.03
4001 to 5000	17	0.19	78010	1.46
5001 To 10000	17	0.19	112525	2.11
10001 and above	28	0.32	3393602	63.67
	<u>8,833</u>	<u>100.00</u>	<u>53,30,400</u>	<u>100.00</u>

Dematerialisation of Shares & Liquidity

As on 31st March, 2020, **76.47%** of the Company's total shares representing 4075969 shares were held in dematerialized form.

Investor's Correspondence :

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

Compliance Officer : **Mr. Anshul Garg**
616 Prasad Chambers, 6th Floor
Plot CS 1487 Tata Road, 2, Roxy Cinema,
Opera House, Girgaon, Mumbai - 400 004.

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

Sd/-

SUNNY GANDHI
Wholetime Director
DIN No.00695322

Sd/-

SHRUTI GANDHI
Director
DIN No.06947535

Place : Mumbai,
Dated : 8th April, 2021.

SUNRAJ DIAMOND EXPORTS LTD.

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, Wholetime 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 2019-2020.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated: 6th April, 2021.

Sd/-
SUNNY GANDHI
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, 2020 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 **Anoop Agarwal & Co**
Chartered Accountants
FRN No.: 001739C

Sd/-

Place : Mumbai,
Date : 14th September, 2020

CA Chirag Patel
Partner
Membership No115637

SUNRAJ DIAMOND EXPORTS LTD.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SUNRAJ DIAMOND EXPORTS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31st, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note 7.1 of the standalone financial statements, relating to recoverability from foreign customers are subject to confirmation. The management consider the same as good and receivable and the same is obtained through management representation letter, therefore no provision has been made in respect of same. Management of the Company is of the opinion that this amount is realizable & hence no adjustments have been made in the accompanying financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined depending upon the facts and circumstances of the entity and the audit, that there are no key audit matters to communicate in the Auditors Report.

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind As and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

SUNRAJ DIAMOND EXPORTS LTD.

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind As specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
- g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Ind AS financial statements - Refer Note 32 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been delay in amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as per details given as under required to be transferred, to the Investor Education and Protection Fund by the Company.

Name of Statute	Period to which amount relates	Amount (in ₹)	Due date of payment	Date of Amount Paid
Investor Education and Protection Fund	F.Y. 2010-11	6,22,518	01/10/2018	-
Investor Education and Protection Fund	F.Y. 2011-12	6,33,311	01/10/2019	-

For **Anoop Agarwal & Co**
Chartered Accountants
FRN No.: 001739C

Sd/-

CA Chirag Patel
Partner
Membership No115637
UDIN: 21115637AAAAAU8313

Place of Signature : Mumbai,
Date : 14th September, 2020

SUNRAJ DIAMOND EXPORTS LTD.

Balance Sheet as at 31st March, 2020

Particulars	Notes	As at 31.03.2020 ₹	As at 31.03.2019 ₹
ASSETS			
Non-current Assets			
Property, Plant and Equipment	2	5,58,037	8,87,445
Intangible Assets	3	4,480	4,480
Financial Assets			
Investments	4	59,67,100	59,67,100
Other Financial Assets	5	3,69,800	6,01,800
Deferred Tax Assets (Net)	6	5,04,818	8,24,707
		74,04,235	82,85,532
Current Assets			
Inventories		26,66,962	50,90,920
Financial Assets			
Trade Receivables	7	16,03,68,649	15,16,18,468
Cash and Cash Equivalents	8A	2,11,152	5,76,409
Other Balance with Banks	8B	19,08,028	17,99,257
Loans	9	53,000	38,000
Other Current Assets	10	1,07,89,051	1,27,89,344
		17,59,96,842	17,19,12,398
TOTAL ASSETS		18,34,01,078	18,01,97,930
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11A	5,33,04,000	5,33,04,000
Other Equity	11B	(2,91,24,177)	(2,66,74,785)
		2,41,79,823	2,66,29,215
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	12	5,55,627	–
Income Tax Liabilities (Net)	13	78,27,209	77,72,000
		83,82,836	77,72,000
Current Liabilities			
Financial Liabilities			
Borrowings	14	12,58,45,264	11,97,61,975
Trade Payables	15		
Due to Micro and Small Enterprises		–	–
Due to Others		2,18,40,305	2,29,75,748
Other Financial Liabilities	16	24,39,649	20,15,693
Other Current Liabilities	17	7,13,200	10,43,300
		15,08,38,419	14,57,96,716
TOTAL EQUITY AND LIABILITIES		18,34,01,078	18,01,97,930

Significant Accounting Policies and key accounting estimates and judgements 1

Notes are an integral part of the financial statements

As per our report of even date attached

For **Anoop Agarwal & Co.**

Chartered Accountants

(Firm Reg. No. : 001739C)

CA Chirag Patel

Partner

Membership No.115637

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi

(Director)

DIN-00695322

Shivil Kapoor

(Independent Director)

DIN-08616488

Anshul Garg

(Company Secretary)

Prabodhchandra Joshi

(Chief Financial Officer)

Mumbai, 14th September, 2020.

Mumbai, 14th September, 2020.

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	As at 31.03.2020 ₹	As at 31.03.2019 ₹
REVENUE FROM OPERATIONS			
Revenue from sale of Products	18	77,59,768	1,92,81,032
Other Income	19	1,35,06,002	1,10,01,368
TOTAL INCOME (I)		2,12,65,770	3,02,82,400
EXPENSES			
Purchase of Stock in Trade	20	46,99,995	1,79,61,426
Change in Inventories of Finished Goods & Raw Material	21	24,23,958	87,000
Employee Benefit Expenses	22	39,05,808	29,79,100
Finance Cost	23	69,77,193	1,09,28,171
Depreciation and Amortisation Expense	24	3,29,408	3,38,532
Other Expenses	25	48,42,422	35,97,864
TOTAL (II)		2,31,78,784	3,58,92,094
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(19,13,014)	(56,09,694)
Exceptional items		-	-
PROFIT BEFORE TAX		(19,13,014)	(56,09,694)
TAX EXPENSE:	26		
Current Tax		-	-
Deferred Tax		3,19,889	(1,38,519)
Tax in respect of earlier years		2,16,489	4,24,281
		5,36,378	2,85,762
PROFIT AFTER TAX		(24,49,392)	(58,95,456)
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Statement of Profit and Loss		-	-
Items that will be reclassified to Statement of Profit and Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(24,49,392)	(58,95,456)
Earnings per equity share (Face value of 10 each)	31		
1) Basic (in Rs.)		(0.46)	(1.11)
2) Diluted (in Rs.)		(0.46)	(1.11)

Significant Accounting Policies and key accounting estimates and judgements 1

Notes are an integral part of the financial statements

As per our report of even date attached

For **Anoop Agarwal & Co.**

Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel

Partner

Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi

(Director)

DIN-00695322

Anshul Garg

(Company Secretary)

Mumbai, 14th September, 2020.

Shivil Kapoor

(Independent Director)

DIN-08616488

Prabodhchandra Joshi

(Chief Financial Officer)

SUNRAJ DIAMOND EXPORTS LTD.

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Balance at the beginning of the Reporting period	5,33,04,000	5,33,04,000
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting period	5,33,04,000	5,33,04,000

B. Other Equity

Particulars	Reserves & Surplus			
	Capital Reserve ₹	General Reserve ₹	Retained Earning ₹	Total ₹
Balance as at April 01, 2018 (A)	5,98,000	5,69,718	(2,19,47,047)	(2,07,79,329)
Addition during the year:				
Profit for the period	-	-	(58,95,456)	(58,95,456)
Items of OCI for the year, net of tax-	-	-	-	-
Total Comprehensive Income for the period ended 31/03/2019 (B)	-	-	(58,95,456)	(58,95,456)
Reductions during the year	-	-	-	-
Total (C) -	-	-	-	-
Balance as at 31st March 2019 (D)=(A+B+C)	5,98,000	5,69,718	(2,78,42,503)	(2,66,74,785)
Addition during the year:				
Profit for the period	-	-	(24,49,392)	(24,49,392)
Items of OCI for the year, net of tax-	-	-	-	-
Total Comprehensive Income for the period ended 31/03/2020 (E)	-	-	(24,49,392)	(24,49,392)
Reductions during the year	-	-	-	-
Total (F) -	-	-	-	-
Balance as at 31st March 2020 (G)=(D+E+F)	5,98,000	5,69,718	(3,02,91,895)	(2,91,24,177)

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel
Partner
Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi
(Director)
DIN-00695322

Shivil Kapoor
(Independent Director)
DIN-08616488

Anshul Garg
(Company Secretary)

Prabodhchandra Joshi
(Chief Financial Officer)

Mumbai, 14th September, 2020.

Cash Flow Statement for the year ended 31st March, 2020

Particulars	31.03.2020 ₹	31.03.2019 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before tax	(19,13,014)	(56,09,694)
Adjustment for -		
Depreciation and Amortisation & Exceptional items	3,29,408	3,38,532
Finance Costs	69,77,193	1,09,28,171
Operating Profit before Working Capital Changes	53,93,587	56,57,009
(Increase) / Decrease in Current Assets		
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(87,50,181)	1,18,18,288
(Increase) / Decrease in Financial Assets	2,32,000	(86,000)
(Increase) / Decrease in Inventories	24,23,958	87,000
(Increase) / Decrease in Other assets	19,85,293	(4,98,560)
Increase / (Decrease) in Trade and other payables	(9,86,378)	1,19,59,614
Cash generated from Operations activities	2,98,280	2,89,37,351
Direct Taxes Paid (Net of Refund)	2,16,489	81,760
Net Cash from Operating Activities (A)	81,791	2,88,55,591
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and equipment	-	-
(Increase) / Decrease in Other Bank Balances	(1,08,771)	(3,900)
Net Cash used in Investing Activities (B)	(1,08,771)	(3,900)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Short Term Borrowings	66,38,917	(1,74,44,252)
Finance Cost	(69,77,193)	(1,09,28,171)
Net Cash used in Financing Activities (C)	(3,38,276)	(2,83,72,423)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(3,65,257)	4,79,268
Cash & Cash Equivalents at the beginning of the year	5,76,409	97,141
Cash & Cash Equivalents at the end of the year	2,11,152	5,76,409

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind-As-7)- Statement of Cash Flow.

(b) Particulars	31.03.2020 ₹	31.03.2019 ₹
Cash and Cash Equivalents comprises of		
Balance with Banks:		
- Current Accounts	1,12,640	5,56,968
Cash on hand	98,512	19,441
Cash and Cash Equivalent in Cash Flow Statement	2,11,152	5,76,409

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel
Partner
Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi
(Director)
DIN-00695322

Anshul Garg
(Company Secretary)

Mumbai, 14th September, 2020.

Shivil Kapoor
(Independent Director)
DIN-08616488

Prabodhchandra Joshi
(Chief Financial Officer)

SUNRAJ DIAMOND EXPORTS LTD.

Notes on Financial Statements for the year ended 31st March, 2020

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 1 : SIGNIFICANT ACCOUNTING POLICIES

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.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the functional and reporting currency. Recognition and Measurement of foreign transaction have been disclosed in note 3(t.) 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.

f. Revenue Recognition:**Revenue from contracts with customer**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

i) Sale of products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

ii) Interest Income

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

iii) Dividend income:

Dividend income on investments is recognised as and when received.

g. 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.

SUNRAJ DIAMOND EXPORTS LTD.

h. 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.

i. 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.

j. 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.

k 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) 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.

iii) 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).

iv) 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.

1. Recognition of Dividend Income, Interest Income

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

m. 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.

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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.

n. 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.

o. 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.

p. 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

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.

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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.

q. Impairment

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.

r. 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.

s. 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.

t. Foreign currency transactions and foreign operations

Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

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Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Notes on Financial Statements for the year ended 31st March, 2020

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	Balance as at April 1, 2019	Additions during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at March 31, 2019
Computer	3,91,103	-	-	3,91,103	3,51,762	13,112	-	3,64,874	39,341
Furniture	9,50,726	-	-	9,50,726	8,60,157	6,145	-	8,66,302	90,569
Office Equipment	8,66,116	-	-	8,66,116	7,81,520	20,640	-	8,02,160	84,596
Vehicles	76,68,590	-	-	76,68,590	69,95,651	2,89,511	-	72,85,162	6,72,939
Total Property, Plant & Equipment	98,76,535	-	-	98,76,535	89,89,090	3,29,408	-	93,18,498	8,87,445

NOTE 3 : INTANGIBLE ASSETS

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	Balance as at April 1, 2019	Additions during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at March 31, 2019
Software	89,585	-	-	89,585	85,105	-	-	85,105	4,480
Total Intangible Assets	89,585	-	-	89,585	85,105	-	-	85,105	4,480

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Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 4 : NON CURRENT INVESTMENTS		
Investments in Equity Instruments at Cost		
Unquoted Equity Shares		
Investment in Subsidiary		
(100% Investments in Share Capital of Sunraj Diamond DMCC)	59,52,100	59,52,100
Investment in other company		
150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March, 2019 - 150)	15,000	15,000
Total Investments in Unquoted Equity Shares	59,67,100	59,67,100
Aggregate amount of Unquoted Investments - At Cost	59,67,100	59,67,100
Aggregate provision for diminution in value of investments	-	-
NOTE 5 : OTHER FINANCIAL ASSETS		
Security Deposits	3,69,800	6,01,800
Total	3,69,800	6,01,800
NOTE 6 : DEFERRED TAX ASSETS		
Deferred Tax Assets		
Property, Plant and Equipment - difference between value of assets as per book base and tax base	5,04,818	8,24,707
Total Deferred Tax Assets	5,04,818	8,24,707
NOTE 7 : TRADE RECEIVABLES *		
Secured, considered good	-	-
Unsecured, considered good	16,03,68,649	15,16,18,468
Unsecured, considered doubtful	-	-
	16,03,68,649	15,16,18,468
Less: Allowances for unsecured doubtful debts	-	-
Total	16,03,68,649	15,16,18,468

Note 7.1 The Company's management is of the opinion that Trade Receivables from foreign customers are considered the same as good and receivable and this amount is realizable, hence no adjustments have been made in the financial statements because the management is confident of recovery of these receivables.

* Refer Note 27 - Financial instruments, fair values and risk measurement.

Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 8 : CASH AND BANK BALANCES*		
(A) Cash and Cash Equivalent		
(a) Balances with Banks		
(i) Current Accounts	1,12,640	5,56,968
(b) Cash on hand	98,512	19,441
Total	<u>2,11,152</u>	<u>5,76,409</u>
(B) Other Balances with Banks		
Unclaimed Dividend Accounts	19,08,028	17,99,257
Total	<u>19,08,028</u>	<u>17,99,257</u>
* Refer Note 27 - Financial instruments, fair values and risk measurement.		
NOTE 9 : LOANS*		
Loans to Employees	53,000	38,000
Total	<u>53,000</u>	<u>38,000</u>
* Refer Note 27 - Financial instruments, fair values and risk measurement.		
NOTE 10 : OTHER CURRENT ASSETS		
Prepaid Expenses	1,17,716	1,06,269
Balance with Statutory Authorities	1,06,71,335	99,80,645
Capital Advances	-	27,02,430
Total	<u>1,07,89,051</u>	<u>1,27,89,344</u>

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Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 11A : EQUITY SHARE CAPITAL		
Authorised		
80,00,000 (P.Y. 80,00,00) Equity Shares of ₹ 10 each	8,00,00,000	8,00,00,000
	<u>8,00,00,000</u>	<u>8,00,00,000</u>
Issued, Subscribed and Fully Paid up Capital		
53,30,400 (P.Y. 53,30,400) Equity Shares of ₹ 10 each fully paid	5,33,04,000	5,33,04,000
Total	<u>5,33,04,000</u>	<u>5,33,04,000</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As At 31.03.2020		As At 31.03.2019	
	Number	₹	Number	₹
At the beginning of the year	53,30,400	5,33,04,000	53,30,400	5,33,04,000
Add: Issued during the year	-	-	-	-
At the end of the year	53,30,400	5,33,04,000	53,30,400	5,33,04,000

(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 Equity Shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares	As At 31.03.2020		As At 31.03.2019	
	Number	% held	Number	% held
Sunny Sunil Gandhi	13,20,800	24.78%	13,20,800	24.78%
Gunvanti Chandrakant Gandhi	3,75,000	7.04%	3,75,000	7.04%

NOTE 11B : OTHER EQUITY

Particulars	Reserves & Surplus			
	Capital Reserve ₹	General Reserve ₹	Retained Earning ₹	Total ₹
Balance as at April 01, 2018 (A)	5,98,000	5,69,718	(2,19,47,047)	(2,07,79,329)
Addition during the year:				
Profit for the period	-	-	(58,95,456)	(58,95,456)
Items of OCI for the year, net of tax-	-	-	-	-
Total Comprehensive Income for the period ended 31/03/2019 (B)	-	-	(58,95,456)	(58,95,456)
Reductions during the year	-	-	-	-
Total (C) -	-	-	-	-
Balance as at 31st March 2019 (D)=(A+B+C)	<u>5,98,000</u>	<u>5,69,718</u>	<u>(2,78,42,503)</u>	<u>(2,66,74,785)</u>
Addition during the year:				
Profit for the period	-	-	(24,49,392)	(24,49,392)
Items of OCI for the year, net of tax-	-	-	-	-
Total Comprehensive Income for the period ended 31/03/2020 (E)	-	-	(24,49,392)	(24,49,392)
Reductions during the year	-	-	-	-
Total (F) -	-	-	-	-
Balance as at 31st March 2020 (G)=(D+E+F)	<u>5,98,000</u>	<u>5,69,718</u>	<u>(3,02,91,895)</u>	<u>(2,91,24,177)</u>

Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 12 : NON CURRENT BORROWINGS*		
Secured Loan		
From Banks (Secured against Mercedes Benz)	5,55,627	-
Total	<u>5,55,627</u>	<u>-</u>
Current maturities of long term borrowings (Refer Note No. 16)		
* Refer Note 27 - Financial instruments, fair values and risk measurement.	2,22,021	
Note:		
12.1 Vehicle Loan, balance outstanding amounting to ₹ 7.78 Lacs (P.Y. ₹ Nil) is secured by Hire Purchase agreement for vehicles and repayable in 38 monthly installments. Last installment due in December, 2022.		
12.2 Installments falling due in respect of all the above Loans up to 31/03/2021 have been grouped under "Current maturities of long-term debt".		
12.3 The Company has not defaulted in the repayment of loans & interest in current and previous year.		
NOTE 13 : INCOME TAX LIABILITIES (NET)		
Provisions for Tax (Net of Advance Tax)	78,27,209	77,72,000
	<u>78,27,209</u>	<u>77,72,000</u>
NOTE 14 : CURRENT BORROWINGS *		
Unsecured Loan		
From Directors	7,40,46,156	7,39,02,255
Inter Corporate Loans	5,17,99,109	4,58,59,720
Total	<u>12,58,45,264</u>	<u>11,97,61,975</u>
* Refer Note 27 - Financial instruments, fair values and risk measurement.		
NOTE 15 : TRADE PAYABLES*		
Due to Micro and Small Enterprises (Refer Note 29)	-	-
Due to others	2,18,40,305	2,29,75,748
Total	<u>2,18,40,305</u>	<u>2,29,75,748</u>
* Refer Note 27 - Financial instruments, fair values and risk measurement.		
NOTE 16 : OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debts (Refer Note 12)	2,22,021	-
Provision for Employee Benefits	2,95,600	2,06,200
Unclaimed Dividend*	19,08,028	17,99,257
Provision for Expenses	14,000	10,236
Total	<u>24,39,649</u>	<u>20,15,693</u>
* There is an amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March, 2020 for the Financial year 2010-11 & 2011-12 of ₹ 6,22,518 & ₹ 6,33,311 respectively.		
NOTE 16 : OTHER CURRENT LIABILITIES		
Statutory Liabilities	1,11,800	43,300
Other Payable	26,400	-
Advances from Customers	5,75,000	10,00,000
Total	<u>7,13,200</u>	<u>10,43,300</u>

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Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 18 : REVENUE FROM OPERATIONS		
Sale of Products	77,59,768	1,92,81,032
Total	77,59,768	1,92,81,032
NOTE 19 : OTHER INCOME		
Net Gain on Foreign Exchange Fluctuation	1,30,63,751	1,09,73,328
Profit on sale of property, plant and equipment	3,09,020	-
Interest on IT Refund	17,280	-
Balance Written -Off Income	1,06,790	-
Discount Received	9,161	28,040
Total	1,35,06,002	1,10,01,368
NOTE 20 : COST OF TRADED GOODS		
Purchase of Stock in Trade	46,99,851	1,78,65,051
Direct Expenses	144	96,376
Total	46,99,995	1,79,61,426
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS & RAW MATERIAL		
Inventories at the end of the year		
Finished Goods	26,28,946	50,52,904
Raw Material	38,016	38,016
	26,66,962	50,90,920
Inventories at the beginning of the year		
Finished Goods	50,52,904	51,77,920
Raw Material	38,016	-
Changes In Inventories of Finished Goods & Raw Material	24,23,958	87,000
NOTE 22 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	32,30,900	23,29,100
Director Remuneration	6,50,000	6,50,000
Staff Welfare Expenses	24,908	-
Total	39,05,808	29,79,100
NOTE 23 - FINANCE COST		
Other Interest Expenses	69,42,352	1,08,87,546
Other Borrowing Expenses	34,841	40,626
Total	69,77,193	1,09,28,171

Notes on Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant & Equipments	3,29,408	3,38,532
Total	3,29,408	3,38,532
NOTE 25 : OTHER EXPENSES		
Audit Fees	2,50,000	-
Legal & Professional Fees	7,22,746	2,77,418
Conveyance Expenses	10,825	27,798
Rent Charges	16,49,500	16,05,000
Repair and Maintenance	94,986	97,871
Telephone Expenses	16,814	17,925
Travelling Expense	-	1,82,308
Insurance Expense	9,721	4,072
Interest on TDS	-	8,314
Interest on Other Statutory Dues	-	250
Interest on Late payment	44,373	40,068
Penalties	67,000	-
Other Expenses	19,76,457	13,36,840
Total	48,42,422	35,97,864
Payment to Auditors		
Audit Fee	2,50,000	-
Total	2,50,000	-
NOTE 26 : INCOME TAX EXPENSES		
Tax Expense recognised in the Statement of Profit & Loss		
Current Tax		
Current tax on taxable income for the year	-	-
Adjustments for the current tax of prior periods	2,16,489	4,24,281
Total Current Tax Expenses	2,16,489	4,24,281
Deferred Tax		
Deferred Tax Charge/(credit)	3,19,889	(1,38,519)
Total Deferred Tax Expenses	3,19,889	(1,38,519)
Total Income Tax Expenses	5,36,378	2,85,762

NOTE 26 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
As at 31st March 2020								
Financial Assets								
Other Financial Assets				3,69,800	-	-	-	-
- Non Current	-	-	3,69,800					
Trade receivables			16,03,68,649	16,03,68,649				
Cash and cash equivalents			2,11,152	2,11,152				
Other Balance with Banks			19,08,028	19,08,028				
Loans-Current			53,000	53,000				
Total financial assets			16,29,10,629	16,29,10,629				
Financial Liabilities								
Borrowings								
- Non Current			5,55,627	5,55,627				
- Current			12,58,45,264	12,58,45,264				
Other financial liabilities								
- Current			24,39,649	24,39,649				
Trade Payable			2,18,40,305	2,18,40,305				
Total financial liabilities			15,06,80,846	15,06,80,846				
As at 31st March, 2019								
Financial Assets								
Other Financial Assets				6,01,800				
- Non Current	-	-	6,01,800					
Trade receivables			15,16,18,468	15,16,18,468				
Cash and cash equivalents			5,76,409	5,76,409				
Other Balance with Banks			17,99,257	17,99,257				
Loans-Current			38,000	38,000				
Total financial assets			15,46,33,934	15,46,33,934				
Financial Liabilities								
Current								
Borrowings								
- Current			11,97,61,975	11,97,61,975				
Other Financial Liabilities								
- Current			20,15,693	20,15,693				
Trade Payable			2,29,75,748	2,29,75,748				
Total financial liabilities			14,47,53,416	14,47,53,416				

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Types of inputs for determining fair value are as under:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

ii) Transfer out of Level 3

There were no movement in level 3 in either directions during the financial year ending on 31 March 2020 and 31 March 2019.

B. Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Board, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

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b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company operates, in addition to domestic markets, significantly in international markets through its sales and services in overseas in US\$ and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$. The Company does not enter into any derivative instruments for trading or speculative purposes.

Details of unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposure as at the reporting date are as follows:

Unhedged Exposures	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivable	USD	21,30,545	16,03,66,138	22,18,470	15,16,18,468
Trade Payable	USD	20,568	15,48,153	20,568	14,21,454

(b) Foreign Currency Risk Sensitivity

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

A change in Foreign Currency would have following Impact on profit before tax (Amount in Lacs)

	As at March 31, 2020		As at March 31, 2019	
	5% Increase ₹	5% Decrease ₹	5% Increase ₹	5% Decrease ₹
USD	79.41	(79.41)	75.10	(75.10)

C) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company's has no investments in quoted equity instruments, therefore the Company has no Other Price risk.

2) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, and loans.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no provision considered.

Ageing of Account receivables

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Beyond 12 months and less than 2 years	16,03,68,649	15,16,18,468
Total	16,03,68,649	15,16,18,468

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

3) Liquidity Risk

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

As on 31st March 2020	Less than 1 year ₹	Between 1 to 5 Years ₹	Beyond 5 years	Total
Borrowings				
- Non Current	-	5,55,627	-	5,55,627
- Current	12,58,45,264	-	-	12,58,45,264
Trade payables	2,18,40,305	-	-	2,18,40,305
Other Financial Liabilities				
- Current	24,39,649	-	-	24,39,649
Total	15,01,25,219	5,55,627	-	15,06,80,846

As on 31st March 2019	Less than 1 year ₹	Between 1 to 5 Years ₹	Beyond 5 years	Total
Borrowings				
- Current	11,97,61,975	-	-	11,97,61,975
Trade payables	2,29,75,748	-	-	2,29,75,748
Other Financial Liabilities				
- Current	20,15,693	-	-	20,15,693
Total	14,47,53,416	-	-	14,47,53,416

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NOTE 28 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 29 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2019-2020, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	-	-
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Development Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 30 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS - 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020.

(i) Name of the Related Party and Nature of Relationship

a) Key Management Personnel (KMP)

Sunny S. Gandhi	Executive Director
Shruti Sunny Gandhi	Director
Pravin Dahyabhai Shah	Independent Director
Shivil Kapoor	Independent Director
Anshul Garg	Compliance Officer
Prabodhchandra Vidyadhar Joshi	Chief Financial Officer

b) Subsidiary Company (SC)

Sunraj Diamonds DMCC

c) Enterprise under significant influence of key management personnel (Enterprise)

Sunraj Investment & Finance Pvt. Ltd.

K. D. Shah Investments Pvt. Ltd.

(ii) Transactions carried out with related parties referred in (i) above, in ordinary course of business:

Nature of Transactions	Relationship	As at 31.03.2020 ₹	As at 31.03.2019 ₹
(a) Remuneration			
Sunny S. Gandhi	KMP	650,000	650,000
(b) Interest Paid			
K. D. Shah Investments Pvt. Ltd.	Enterprise	65,48,830	91,76,709
(c) Loan Taken			
Sunny S. Gandhi	KMP	1,30,98,956	3,25,15,660
K. D. Shah Investments Pvt. Ltd.	Enterprise	65,48,830	91,76,709
(d) Loan Repaid			
Sunny S. Gandhi	KMP	1,29,55,055	1,30,41,325
Sunil Chandrakant Gandhi	KMP	-	1,63,966
K. D. Shah Investments Pvt. Ltd.	Enterprise	57,26,000	3,58,14,000
(e) Amount Payable			
As Unsecured Loan			
Sunny S. Gandhi	KMP	7,40,46,156	7,39,02,255
Sunil Chandrakant Gandhi	KMP	-	1,63,966
K. D. Shah Investments Pvt. Ltd.	Enterprise	4,64,05,359	4,55,82,529
(f) As Investment			
As Equity Shares			
Sunraj Diamond DMCC	Subsidiary Company	59,52,100	59,52,100
(g) Salary			
Sean Gandhi	Relative of Director	1,32,000	-

i) All related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

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NOTE 31 : EARNING PER SHARE

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Earning Per Share has been computed as under:		
Profit after tax as per Statement of Profit and Loss	(24,49,392)	(58,95,456)
Weighted average number of equity shares outstanding	53,30,400	53,30,400
Basic and diluted earnings per share in rupees (Face Value – 10 per share)	(0.46)	(1.11)

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
a. Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
Income Tax matter in dispute under appeal	74,34,314	74,89,523
TOTAL	74,34,314	74,89,523
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	–	–
TOTAL	–	–

NOTE: 33 EMPLOYEES' BENEFITS

Defined Benefit Plan:

The company has not undertaken the actuarial valuation as per IND AS 19. Hence the impact of the same on the financial statements have not been ascertained.

NOTE 34 : SEGMENT REPORTING

The company is primarily engaged in single business segment viz., Trading in Gems and precious metals, hence there are no separate reportable primary segments as per Indian Accounting Standard 108 Operating Segments.

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013, requires every Company having a net worth of Rupees 500 crore or more, or turnover of Rupees 1000 crore or more or a net profit of rupees 5 crore or more during the immediately preceding financial year shall spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR). The Company doesn't fall in any of the above criteria, hence provisions of Section 135 of the Companies Act, 2013, is not applicable to the Company.

NOTE: 36 ESTIMATION OF UNCERTAINTIES RELATING TO COVID-19

In March 2020, the World Health Organisation declared Covid-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown on 24 March 2020, which has impacted normal business operations of the Company. The outbreak of Coronavirus (COVID-19) pandemic globally and in India has impacted business, financial markets and economy all over the world including India. Based on the internal and external information available upto the date of approval of these financial statements, the Company expects to recover the carrying amount of inventories, receivables and investments. The Company does not foresee any material impact on liquidity and assumption of a going concern. The Company will continue to monitor future market conditions and update its assessment.

As per our report of even date attached

For **Anoop Agarwal & Co.**

Chartered Accountants

(Firm Reg. No. : 001739C)

CA Chirag Patel

Partner

Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of

Sunraj Diamond Exports Limited

Sunny Gandhi

(Director)

DIN-00695322

Anshul Garg

(Company Secretary)

Mumbai, 14th September, 2020.

Shivil Kapoor

(Independent Director)

DIN-08616488

Prabodhchandra Joshi

(Chief Financial Officer)

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SUNRAJ DIAMOND EXPORTS LIMITED** (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated statement of Profit and Loss, (including Other Comprehensive Income), the consolidated cash flows Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note 8.1 of the consolidated financial statements, relating to recoverability from foreign customers of the Parent are subject to confirmation. The management consider the same as good and receivable and the same is obtained through management representation letter, therefore no provision has been made in respect of same. Management of the Company is of the opinion that this amount is realizable & hence no adjustments have been made in the accompanying financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

SUNRAJ DIAMOND EXPORTS LTD.

addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined depending upon the facts and circumstances of the Group and the audit, that there are no key audit matters to communicate in the Auditors Report.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Managements Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent and subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other

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matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements / financial information of subsidiary Company, whose financial statements reflect total assets of Rs.1, 46, 14,537 as at 31st March, 2020, and total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary Company and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary Company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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 financial statements certified by the Management.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity 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 Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 - Refer Note 33 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been delay in amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent as per details given as under required to be transferred, to the Investor Education and Protection Fund by the Parent.

Name of Statute	Period to which amount relates	Amount (in ₹)	Due date of payment	Date of Amount Paid
Investor Education and Protection Fund	F.Y. 2010-11	6,22,518	01/10/2018	-
Investor Education and Protection Fund	F.Y. 2011-12	6,33,311	01/10/2019	-

For **Anoop Agarwal & Co**
Chartered Accountants
FRN No.: 001739C

Sd/-

Place of Signature : Mumbai,
Date : 14th September, 2020

CA Chirag Patel
Partner
Membership No115637
UDIN: 21115637AAAAAU8313

SUNRAJ DIAMOND EXPORTS LTD.

Consolidated Balance Sheet As At 31st March 2020

Particulars	Notes	As at 31.03.2020 ₹	As at 31.03.2019 ₹
ASSETS			
Non-current Assets			
Property, Plant and Equipment	2	5,58,037	8,87,445
Intangible Assets	3	4,480	4,480
Financial Assets			
Investments	4	15,000	15,000
Other Financial Assets	5	3,69,800	6,01,800
Deferred Tax Assets (Net)	6	5,04,818	8,24,707
Non-current Assets	7	24,34,965	44,02,753
		<u>38,87,100</u>	<u>67,36,185</u>
Current Assets			
Inventories		26,66,962	50,90,920
Financial Assets			
Trade Receivables	8	17,21,50,184	17,29,21,154
Cash and Cash Equivalents	9A	6,09,190	10,20,489
Other Balance with Banks	9B	19,08,028	17,99,257
Loans	10	53,000	38,000
Other Current Assets	11	1,07,89,051	1,27,89,344
		<u>18,81,76,415</u>	<u>19,36,59,164</u>
TOTAL ASSETS		<u>19,20,63,515</u>	<u>20,03,95,350</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12A	5,33,04,000	5,33,04,000
Other Equity	12B	(2,62,88,994)	(1,16,40,935)
		<u>2,70,15,006</u>	<u>4,16,63,065</u>
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	13	5,55,627	–
Income Tax Liabilities (net)	14	78,27,209	77,72,000
		<u>83,82,836</u>	<u>77,72,000</u>
Current Liabilities			
Financial Liabilities			
Borrowings	15	13,16,72,519	12,49,25,543
Trade Payables	16		
Due to Micro and Small Enterprises		–	–
Due to Others		2,18,40,305	2,29,75,748
Other Financial Liabilities	17	24,39,649	20,15,693
Other Current Liabilities	18	7,13,200	10,43,300
		<u>15,66,65,674</u>	<u>15,09,60,285</u>
TOTAL EQUITY AND LIABILITIES		<u>19,20,63,515</u>	<u>20,03,95,350</u>

Significant Accounting Policies and key accounting estimates and judgements 1

Notes are an integral part of the financial statements

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel
Partner
Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi
(Director)
DIN-00695322

Shivil Kapoor
(Independent Director)
DIN-08616488

Anshul Garg
(Company Secretary)

Prabodhchandra Joshi
(Chief Financial Officer)

Mumbai, 14th September, 2020.

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Notes	As at 31.03.2020 ₹	As at 31.03.2019 ₹
REVENUE FROM OPERATIONS			
Revenue from sale of Products	19	77,59,768	1,92,81,032
Other Income	20	1,35,06,002	1,10,01,368
TOTAL INCOME (I)		2,12,65,770	3,02,82,400
EXPENSES			
Purchase of Stock in Trade	21	46,99,995	1,79,61,426
Change in Inventories of Finished Goods & Raw Material	22	24,23,958	87,000
Employee Benefit Expenses	23	39,05,808	29,79,100
Finance Cost	24	69,77,193	1,09,28,171
Depreciation and Amortisation Expense	25	3,29,408	3,38,532
Other Expenses	26	1,83,46,016	1,60,95,600
TOTAL (II)		3,66,82,378	4,83,89,830
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(1,54,16,608)	(1,81,07,430)
Exceptional items		-	-
PROFIT BEFORE TAX		(1,54,16,608)	(1,81,07,430)
TAX EXPENSE:	27		
Current Tax		-	-
Deferred Tax		3,19,889	(1,38,519)
Tax in respect of earlier years		2,16,489	4,24,281
		5,36,378	2,85,762
PROFIT AFTER TAX		(1,59,52,986)	(1,83,93,192)
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Statement of Profit and Loss		-	-
Items that will be reclassified to Statement of Profit and Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,59,52,986)	(1,83,93,192)
Profit for the Year Attributable to:			
Ownres of the Company		(1,59,52,986)	(1,83,93,192)
Non-controlling interest		-	-
		(1,59,52,986)	(1,83,93,192)
Total Comprehensive Income for the Year Attributable to:			
Ownres of the Company		(1,59,52,986)	(1,83,93,192)
Non-controlling interest		-	-
		(1,59,52,986)	(1,83,93,192)
Earnings per equity share (Face value of ₹ 10 each)	31		
1) Basic (in ₹)		(2.99)	(3.45)
2) Diluted (in ₹)		(2.99)	(3.45)

Significant Accounting Policies and key accounting estimates and judgements 1

Notes are an integral part of the financial statements

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)**CA Chirag Patel**
Partner
Membership No.115637Mumbai, 14th September, 2020.For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited**Sunny Gandhi**
(Director)
DIN-00695322**Shivil Kapoor**
(Independent Director)
DIN-08616488**Anshul Garg**
(Company Secretary)**Prabodhchandra Joshi**
(Chief Financial Officer)Mumbai, 14th September, 2020.

SUNRAJ DIAMOND EXPORTS LTD.

Consolidated Statement of Changes in Equity for the year ended 31st March 2020

A. Equity Share Capital

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Balance at the beginning of the Reporting period	5,33,04,000	5,33,04,000
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting period	5,33,04,000	5,33,04,000

B. Other Equity

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earning	Exchange differences on translation of foreign operations	
	₹	₹	₹	₹	₹
Balance as at April 01, 2018 (A)	5,98,000	5,69,718	26,29,575	13,16,619	51,13,912
Addition during the year:					
Profit for the period	-	-	(1,83,93,192)	-	(1,83,93,192)
Items of OCI for the year, net of tax- Exchange differences on translation of foreign operations	-	-	-	16,38,345	16,38,345
Total Comprehensive Income for the period ended 31/03/2019 (B)	-	-	(1,83,93,192)	16,38,345	(1,67,54,847)
Reductions during the year	-	-	-	-	-
Total (C)	-	-	-	-	-
Balance as at 31st March 2019 (D)=(A+B+C)	5,98,000	5,69,718	(1,57,63,617)	29,54,964	(1,16,40,935)
Addition during the year:					
Profit for the period	-	-	(1,59,52,986)	-	(1,59,52,986)
Items of OCI for the year, net of tax- Exchange differences on translation of foreign operations	-	-	-	13,04,926	13,04,926
Total Comprehensive Income for the period ended 31/03/2020 (E)	-	-	(1,59,52,986)	13,04,926	(1,46,48,060)
Reductions during the year	-	-	-	-	-
Total (F)	-	-	-	-	-
Balance as at 31st March 2020 (G)=(D+E+F)	5,98,000	5,69,718	(3,17,16,602)	42,59,890	(2,62,88,994)

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel
Partner
Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi
(Director)
DIN-00695322

Shivil Kapoor
(Independent Director)
DIN-08616488

Anshul Garg
(Company Secretary)

Prabodhchandra Joshi
(Chief Financial Officer)

Mumbai, 14th September, 2020.

Consolidated Cash Flow Statement for the year ended 31st March 2020

Particulars	31.03.2020 ₹	31.03.2019 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before tax	(1,54,16,608)	(1,81,07,430)
Adjustment for -		
Depreciation and Amortisation & Exceptional items	3,29,408	3,38,532
Finance Costs	69,77,193	1,09,28,171
Provision for Doubtful Debt	1,32,29,658	1,22,83,192
Effect of exchange rates on translation of operating cashflows	13,04,926	16,38,345
Operating Profit before Working Capital Changes	64,24,577	70,80,810
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(1,01,92,754)	1,02,32,407
(Increase) / Decrease in Financial Assets	2,17,000	(86,000)
(Increase) / Decrease in Inventories	24,23,958	87,000
(Increase) / Decrease in Other assets	17,02,148	(8,26,341)
Increase / (Decrease) in Trade and other payables	(9,86,379)	1,10,98,372
Cash generated from Operations activities	(4,11,450)	2,75,86,249
Direct Taxes Paid (Net of Refund)	2,16,489	81,760
Net Cash from Operating Activities (A)	(6,27,939)	2,75,04,489
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and equipment	-	-
(Increase) / Decrease in Other Bank Balances	(1,08,770)	(3,900)
Net Cash used in Investing Activities (B)	(1,08,770)	(3,900)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Short Term Borrowings	73,02,603	(1,61,31,475)
Finance Cost	(69,77,193)	(1,09,28,171)
Net Cash used in Financing Activities (C)	3,25,410	(2,70,59,647)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(4,11,299)	4,40,942
Cash & Cash Equivalents at the beginning of the year	10,20,489	5,79,547
Cash & Cash Equivalents at the end of the year	6,09,190	10,20,489

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind-As-7)- Statement of Cash Flow

(b) Particulars	31.03.2020 ₹	31.03.2019 ₹
Cash and Cash Equivalents comprises of		
Balance with Banks:		
- Current Accounts	5,10,678	10,01,048
Cash on hand	98,512	19,441
Cash and Cash Equivalent in Cash Flow Statement	6,09,190	10,20,489

As per our report of even date attached

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Reg. No. : 001739C)

CA Chirag Patel
Partner
Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi
(Director)
DIN-00695322

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(Company Secretary)

Prabodhchandra Joshi
(Chief Financial Officer)

Mumbai, 14th September, 2020.

SUNRAJ DIAMOND EXPORTS LTD.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

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. These financial 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 1 : SIGNIFICANT ACCOUNTING POLICIES

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.

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 transaction have been disclosed in note 3(u) 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 affect 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.

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.

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- 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.

Following subsidiary has been considered in the preparation of the consolidated financial statements

Name of Subsidiary Company	Country of Incorporation	Extent of Holding/Voting Power as on 31st March 2019
SUNRAJ DIAMONDS DMCC	DUBAI	100.00%

g. Revenue Recognition:

Revenue from contracts with customer

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

i) Sale of products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

ii) Interest Income

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

iii) Dividend income:

Dividend income on investments is recognised as and when received.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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) 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.

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iii) 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).

iv) 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.

m. Recognition of Dividend Income, Interest Income

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

n. 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.

o. 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.

p. 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.

q. 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

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

SUNRAJ DIAMOND EXPORTS LTD.

- 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.

r. 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.

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► 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.

s. 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.

t. 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.

u. 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.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	Balance as at April 1, 2019	Additions during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at March 31, 2019
Computer	3,91,103	-	-	3,91,103	3,51,762	13,112	-	3,64,874	39,341
Furniture	9,50,726	-	-	9,50,726	8,60,157	6,145	-	8,66,302	90,569
Office Equipment	8,66,116	-	-	8,66,116	7,81,520	20,640	-	8,02,160	84,596
Vehicles	76,68,590	-	-	76,68,590	69,95,651	2,89,511	-	72,85,162	6,72,939
Total Property, Plant & Equipment	98,76,535	-	-	98,76,535	89,89,090	3,29,408	-	93,18,498	8,87,445

NOTE 3 : INTANGIBLE ASSETS

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	Balance as at April 1, 2019	Additions during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at March 31, 2019
Software	89,585	-	-	89,585	85,105	-	-	85,105	4,480
Total Intangible Assets	89,585	-	-	89,585	85,105	-	-	85,105	4,480

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 4 : NON CURRENT INVESTMENTS		
Investments in Equity Instruments at Cost		
Unquoted Equity Shares		
Investment in other company		
150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March, 2019 - 150)	15,000	15,000
Total Investments in Unquoted Equity Shares	<u>15,000</u>	<u>15,000</u>
Aggregate amount of Unquoted Investments - At Cost	15,000	15,000
Aggregate provision for diminution in value of investments	-	-
NOTE 5 : OTHER FINANCIAL ASSETS		
Security Deposits	3,69,800	6,01,800
Total	<u>3,69,800</u>	<u>6,01,800</u>
NOTE 6 : DEFERRED TAX ASSETS		
Deferred Tax Assets		
Property, Plant and Equipment - difference between value of assets as per book base and tax base	5,04,818	8,24,707
Total Deferred Tax Assets	<u>5,04,818</u>	<u>8,24,707</u>
NOTE 7 : NON CURRENT ASSETS		
Advance to Supplier	71,61,661	65,71,274
Less: Provision for Doubtful Debts	(47,26,696)	(21,68,520)
Total	<u>24,34,965</u>	<u>44,02,753</u>
NOTE 8 : TRADE RECEIVABLES*		
Secured, considered good	-	-
Unsecured, considered good (Note 8.1)	17,21,50,184	17,29,21,154
Unsecured, considered doubtful	2,28,70,122	1,04,92,387
	<u>19,50,20,306</u>	<u>18,34,13,541</u>
Less: Allowances for unsecured doubtful debts	2,28,70,122	1,04,92,387
Total	<u>17,21,50,184</u>	<u>17,29,21,154</u>

NOTE 8.1 The Holding Company's management is of the opinion that Trade Receivables from foreign customers are considered the same as good and receivable and this amount is realizable, hence no adjustments have been made in the financial statements because the management is confident of recovery of these receivables.

*Refer Note 28 - Financial instruments, fair values and risk measurement.

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Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 9 : CASH AND BANK BALANCES*		
(A) Cash and Cash Equivalent		
(a) Balances with Banks		
(i) Current Accounts	5,10,678	10,01,048
(b) Cash on hand	98,512	19,441
Total	6,09,190	10,20,489
(B) Other Balances with Banks		
Unclaimed Dividend Accounts	19,08,028	17,99,257
Total	19,08,028	17,99,257

*Refer Bote 28 - Financial instruments, fair values and risk measurement.

NOTE 10 : LOANS*

Loans to Employees	53,000	38,000
Total	53,000	38,000

* Refer Bote 28 - Financial instruments, fair values and risk measurement.

NOTE 11 : OTHER CURRENT ASSETS

Prepaid Expenses	1,17,716	1,06,269
Balance with Statutory Authorities	1,06,71,335	99,80,645
Capital Advances	–	27,02,430
Total	1,07,89,051	1,27,89,344

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 12A : EQUITY SHARE CAPITAL		
Authorised		
80,00,000 (P.Y. 80,00,00) Equity Shares of ₹ 10 each	8,00,00,000	8,00,00,000
	<u>8,00,00,000</u>	<u>8,00,00,000</u>
Issued, Subscribed and Fully Paid up Capital		
53,30,400 (P.Y. 53,30,400) Equity Shares of ₹ 10 each fully paid	5,33,04,000	5,33,04,000
Total	<u>5,33,04,000</u>	<u>5,33,04,000</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As At 31.03.2020		As At 31.03.2019	
	Number	₹	Number	₹
At the beginning of the year	53,30,400	5,33,04,000	53,30,400	5,33,04,000
Add: Issued during the year	-	-	-	-
At the end of the year	<u>53,30,400</u>	<u>5,33,04,000</u>	<u>53,30,400</u>	<u>5,33,04,000</u>

(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 Equity Shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholders	As At 31.03.2020		As At 31.03.2019	
	Number	% held	Number	% held
Equity Shares				
Sunny Sunil Gandhi	13,20,800	24.78%	13,20,800	24.78%
Gunvanti Chandrakant Gandhi	3,75,000	7.04%	3,75,000	7.04%

NOTE 12B : OTHER EQUITY

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earning	Exchange differences on translation of foreign operations	
	₹	₹	₹	₹	
Balance as at April 01, 2018 (A)	5,98,000	5,69,718	26,29,575	13,16,619	51,13,912
Addition during the year:					
Profit for the period	-	-	(1,83,93,192)	-	(1,83,93,192)
Items of OCI for the year, net of tax- Exchange differences on translation of foreign operations	-	-	-	16,38,345	16,38,345
Total Comprehensive Income for the period ended 31/03/2019 (B)	-	-	(1,83,93,192)	16,38,345	(1,67,54,847)
Reductions during the year	-	-	-	-	-
Total (C)	-	-	-	-	-
Balance as at 31st March 2019 (D)=(A+B+C)	<u>5,98,000</u>	<u>5,69,718</u>	<u>(1,57,63,617)</u>	<u>29,54,964</u>	<u>(1,16,40,935)</u>
Addition during the year:					
Profit for the period	-	-	(1,59,52,986)	-	(1,59,52,986)
Items of OCI for the year, net of tax- Exchange differences on translation of foreign operations	-	-	-	13,04,926	13,04,926
Total Comprehensive Income for the period ended 31/03/2020 (E)	-	-	(1,59,52,986)	13,04,926	(1,46,48,060)
Reductions during the year	-	-	-	-	-
Total (F)	-	-	-	-	-
Balance as at 31st March 2020 (G)=(D+E+F)	<u>5,98,000</u>	<u>5,69,718</u>	<u>(3,17,16,602)</u>	<u>42,59,890</u>	<u>(2,62,88,994)</u>

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Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 13 : NON CURRENT BORROWINGS*		
Secured Loan		
From Banks	5,55,627	-
	<u>5,55,627</u>	<u>-</u>
Current maturities of long term borrowings (Refer Note No. 17)	2,22,021	
* Refer Note 28 - Financial instruments, fair values and risk measurement.		
Note:		
13.1 Vehicle Loan, balance outstanding amounting to ₹ 7.78 Lacs (P.Y. Rs Nil) is secured by Hire Purchase agreement for vehicles and repayable in 38 monthly installments. Last installment due in December, 2022.		
13.2 Installments falling due in respect of all the above Loans up to 31/03/2021 have been grouped under "Current maturities of long-term debt".		
13.3 The Company has not defaulted in the repayment of loans & interest in current and previous year.		
NOTE 14 : INCOME TAX LIABILITIES (NET)		
Provisions for Tax (Net of Advance Tax)	78,27,209	77,72,000
	<u>78,27,209</u>	<u>77,72,000</u>
NOTE 15 : BORROWINGS*		
Unsecured Loan		
From Directors	7,98,73,410	7,90,65,824
Inter Corporate Loans	5,17,99,109	4,58,59,720
Total	<u>13,16,72,519</u>	<u>12,49,25,543</u>
* Refer Note 28 - Financial instruments, fair values and risk measurement.		
NOTE 16 : TRADE PAYABLES*		
Due to Micro and Small Enterprises	-	-
Due to others	2,18,40,305	2,29,75,748
Total	<u>2,18,40,305</u>	<u>2,29,75,748</u>
* Refer Note 28 - Financial instruments, fair values and risk measurement.		
NOTE 17 : OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debts (Refer Note 13)	2,22,021	-
Provision for Employee Benefits	2,95,600	2,06,200
Unclaimed Dividend*	19,08,028	17,99,257
Provision for Expenses	14,000	10,236
Total	<u>24,39,649</u>	<u>20,15,693</u>
* There is an amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March, 2020 for the Financial year 2010-11 & 2011-12 of ₹ 622518 & ₹ 6,33,311 respectively.		
NOTE 18 : OTHER CURRENT LIABILITIES		
Statutory Liabilities	1,11,800	43,300
Other Payable	26,400	-
Advances from Customers	5,75,000	10,00,000
Total	<u>7,13,200</u>	<u>10,43,300</u>

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 19 : REVENUE FROM OPERATIONS		
Sale of Products	77,59,768	1,92,81,032
Total	77,59,768	1,92,81,032
NOTE 20 : OTHER INCOME		
Net Gain on Foreign Exchange Fluctuation	1,30,63,751	1,09,73,328
Profit on sale of property, plant and equipment	3,09,020	-
Interest on IT Refund	17,280	-
Balance Written-Off Income	1,06,790	-
Discount Received	9,161	28,040
Total	1,35,06,002	1,10,01,368
NOTE 21 : COST OF TRADED GOODS		
Purchase of Stock in Trade	46,99,851	1,78,65,051
Direct Expenses	144	96,376
Total	46,99,995	1,79,61,426
NOTE 22 : CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	26,28,946	50,52,904
Raw Material	38,016	38,016
	26,66,962	50,90,920
Inventories at the beginning of the year		
Finished Goods	50,52,904	51,77,920
Raw Material	38,016	-
Changes In Inventories of Finished Goods & Raw Material	24,23,958	87,000
NOTE 23 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	32,30,900	23,29,100
Director Remuneration	6,50,000	6,50,000
Staff Welfare Expenses	24,908	-
Total	39,05,808	29,79,100
NOTE 24 : FINANCE COST		
Interest on Bank Borrowings	-	-
Other Interest Expenses	69,42,352	1,08,87,546
Other Borrowing Expenses	34,841	40,626
Total	69,77,193	1,09,28,171

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Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
NOTE 25 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant & Equipments	3,29,408	3,38,532
Total	3,29,408	3,38,532
NOTE 26 : OTHER EXPENSES		
Audit Fees	2,50,000	-
Legal & Professional Fees	7,22,746	2,77,418
Conveyance Expenses	10,825	27,798
Rent Charges	16,49,500	16,05,000
Repair and Maintenance	94,986	97,871
Telephone Expenses	16,814	17,925
Travelling Expense	-	1,82,308
Insurance Expense	9,721	4,072
Interest on TDS	-	8,314
Interest on Other Statutory Dues	-	250
Interest on Late payment	44,373	40,068
Penalties	67,000	-
Provision for Doubtful Debt	1,32,29,658	1,22,83,192
Other Expenses	22,50,393	15,51,384
Total	1,83,46,016	1,60,95,600
Payment to Auditors		
Audit Fee	2,50,000	-
Total	2,50,000	-
NOTE 27 : INCOME TAX EXPENSES		
Tax Expense recognised in the Statement of Profit & Loss		
Current Tax		
Current tax on taxable income for the year	-	-
Adjustments for the current tax of prior periods	2,16,489	4,24,281
Total Current Tax Expenses	2,16,489	4,24,281
Deferred Tax		
Deferred Tax Charge/(credit)	3,19,889	(1,38,519)
Total Deferred Tax Expenses	3,19,889	(1,38,519)
Total Income Tax Expenses	5,36,378	2,85,762

Consolidated Notes to the Financial Statements for the year ended 31st March, 2020

NOTE 28 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

As at 31st March 2020	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
Other Financial Assets				3,69,800	-	-	-	-
- Non current	-	-	3,69,800	3,69,800	-	-	-	-
Trade receivables	-	-	17,21,50,184	17,21,50,184	-	-	-	-
Cash and cash equivalents	-	-	6,09,190	6,09,190	-	-	-	-
Other Balance with Banks	-	-	19,08,028	19,08,028	-	-	-	-
Loans-Current	-	-	53,000	53,000	-	-	-	-
Total financial assets	-	-	17,50,90,202	17,50,90,202	-	-	-	-
Financial Liabilities								
Borrowings								
- Non Current	-	-	5,55,627	5,55,627	-	-	-	-
- Current	-	-	13,16,72,519	13,16,72,519	-	-	-	-
Other financial liabilities								
- Current	-	-	24,39,649	24,39,649	-	-	-	-
Trade Payable	-	-	2,18,40,305	2,18,40,305	-	-	-	-
Total financial liabilities	-	-	15,65,08,101	15,65,08,101	-	-	-	-
As at 31st March, 2019								
Financial Assets								
Other Financial Assets								
- Non current	-	-	6,01,800	6,01,800	-	-	-	-
Trade receivables	-	-	17,29,21,154	17,29,21,154	-	-	-	-
Cash and cash equivalents	-	-	10,20,489	10,20,489	-	-	-	-
Other Balance with Banks	-	-	17,99,257	17,99,257	-	-	-	-
Loans-Current	-	-	38,000	38,000	-	-	-	-
Total financial assets	-	-	17,63,80,700	17,63,80,700	-	-	-	-
Financial Liabilities								
Current								
Borrowings								
- Current	-	-	12,49,25,543	12,49,25,543	-	-	-	-
Other financial liabilities								
- Current	-	-	20,15,693	20,15,693	-	-	-	-
Trade Payable	-	-	2,29,75,748	2,29,75,748	-	-	-	-
Total financial liabilities	-	-	14,99,16,985	14,99,16,985	-	-	-	-

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The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Types of inputs for determining fair value are as under:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

ii) Transfer out of Level 3

There were no movement in level 3 in either directions during the financial year ending on 31 March 2020 and 31 March 2019.

B. Financial risk management

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Board, states the Group's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group operates, in addition to domestic markets, significantly in international markets through its sales and services in overseas in US\$ and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$. The Group does not enter into any derivative instruments for trading or speculative purposes.

Details of unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposure as at the reporting date are as follows:

Unhedged Exposures	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivable	USD	22,86,828	17,21,50,184	25,26,440	17,29,21,154
Trade Payable	USD	20,568	15,48,153	20,568	14,21,454

(b) Foreign Currency Risk Sensitivity

The Group is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

A change in Foreign currency would have following Impact on profit before tax

(Amount in Lacs)

	As at March 31, 2020		As at March 31, 2019	
	5% Increase ₹	5% Decrease ₹	5% Increase ₹	5% Decrease ₹
USD	85.30	(85.30)	85.75	-85.75

C) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Group has no investments in quoted equity instruments, therefore the Group has no Other Price risk.

2) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group considers Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, and loans.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

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The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is provided.

Ageing of Account receivables

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Beyond 12 months and less than 2 years	17,21,50,184	17,29,21,154
Total	17,21,50,184	17,29,21,154

3) Liquidity Risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on 31st March 2020	Less than 1 year ₹	Between 1 to 5 Years ₹	Beyond 5 years	Total
Borrowings				
- Non Current	-	5,55,627		5,55,627
- Current	13,16,72,519	-	-	13,16,72,519
Trade payables	2,18,40,305			2,18,40,305
Other Financial Liabilities				
- Current	24,39,649	-	-	24,39,649
Total	15,59,52,474	5,55,627	-	15,65,08,101

As on 31st March 2019	Less than 1 year ₹	Between 1 to 5 Years ₹	Beyond 5 years	Total
Borrowings				
- Current	12,49,25,543			12,49,25,543
Trade payables	2,29,75,748			2,29,75,748
Other Financial Liabilities				-
- Current	20,15,693	-	-	20,15,693
Total	14,99,16,985	-	-	14,99,16,985

NOTE 29 : CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 30 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2019-2020, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	-	-
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Development Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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NOTE 31 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS - 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020.

(i) Name of the Related Party and Nature of Relationship

a) Key Management Personnel (KMP)

Sunny S. Gandhi	Executive Director
Shruti Sunny Gandhi	Director
Pravin Dahyabhai Shah	Independent Director
Shivil Kappor	Independent Director
Anshul Garg	Compliance Officer
Prabodhchandra Vidyadhar Joshi	Chief Financial Officer

b) Enterprise under significant influence of key management personnel (Enterprise)

Sunraj Investment & Finance Pvt. Ltd.
K. D. Shah Investments Pvt. Ltd.

(ii) Transactions carried out with related parties referred in (i) above, in ordinary course of business:

Nature of Transactions	Relationship	As at 31.03.2020 ₹	As at 31.03.2019 ₹
(a) Remuneration			
Sunny S. Gandhi	KMP	6,50,000	6,50,000
(b) Interest Paid			
K. D. Shah Investments Pvt. Ltd.	Enterprise	65,48,830	91,76,709
(c) Loan Taken			
Sunny S. Gandhi	KMP	1,30,98,956	3,25,15,660
K. D. Shah Investments Pvt. Ltd.	Enterprise	65,48,830	91,76,709
(d) Loan Repaid			
Sunny S. Gandhi	KMP	1,29,55,055	1,30,41,325
Sunil Chandrakant Gandhi	KMP	-	1,63,966
K. D. Shah Investments Pvt. Ltd.	Enterprise	57,26,000	3,58,14,000
(e) Amount Payable			
As Unsecured Loan			
Sunny S. Gandhi	KMP	7,40,46,156	7,39,02,255
Sunil Chandrakant Gandhi	KMP	-	1,63,966
K. D. Shah Investments Pvt Ltd	Enterprise	4,64,05,359	4,55,82,529
(f) Salary			
Sean Gandhi	Relative of Director	1,32,000	-

- i) All related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

NOTE 32 : EARNING PER SHARE

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
Earning Per Share has been computed as under:		
Profit after tax as per Statement of Profit and Loss	(1,59,52,986)	(1,83,93,192)
Weighted average number of equity shares outstanding	53,30,400	53,30,400
Basic and diluted earnings per share in rupees (Face Value – 10 per share)	(2.99)	(3.45)

NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
a. Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
Income Tax matter in dispute under appeal	74,34,314	74,89,523
TOTAL	74,34,314	74,89,523
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	–	–
TOTAL	–	–

NOTE 34 : EMPLOYEES' BENEFITS**Defined Benefit Plan:**

The Group has not undertaken the actuarial valuation as per IND AS 19. Hence the impact of the same on the financial statements have not been ascertained.

NOTE 35 : SEGMENT REPORTING

The Group is primarily engaged in single business segment viz., Trading in Gems and precious metals, hence there are no separate reportable primary segments as per Indian Accounting Standard 108 Operating Segments.

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NOTE 36 : GROUP INFORMATION

The Consolidated financial statement of the Group includes subsidiaries as mentioned below :

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated comprehensive Income	Amount (₹ in Lakhs)
Parent Company						
Sunraj Diamonds Exports Limited	89.51%	241.80	15.35%	(24.49)	15.35%	(24.49)
Subsidiary Company						
Sunraj Diamonds DMCC	32.32%	87.31	84.65%	(135.04)	84.65%	(135.04)
Inter-company eliminations & Consolidation adjustments	-21.82%	-58.96	0.00%	0.00	0.00%	0.00
Total	100.00%	270.15	100.00%	-159.53	100.00%	-159.53

NOTE 37 : ESTIMATION OF UNCERTAINTIES RELATING TO COVID-19

In March 2020, the World Health Organisation declared Covid-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown on 24 March 2020, which has impacted normal business operations of the Group. The outbreak of Coronavirus (COVID-19) pandemic globally and in India has impacted business, financial markets and economy all over the world including India. Based on the internal and external information available upto the date of approval of these financial statements, the Group expects to recover the carrying amount of inventories, receivables and investments. The Group does not foresee any material impact on liquidity and assumption of a going concern. The Group will continue to monitor future market conditions and update its assessment.

As per our report of even date attached

For **Anoop Agarwal & Co.**

Chartered Accountants

(Firm Reg. No. : 001739C)

CA Chirag Patel

Partner

Membership No.115637

Mumbai, 14th September, 2020.

For and on behalf of the Board of Directors of
Sunraj Diamond Exports Limited

Sunny Gandhi

(Director)

DIN-00695322

Anshul Garg

(Company Secretary)

Mumbai, 14th September, 2020.

Shivil Kapoor

(Independent Director)

DIN-08616488

Prabodhchandra Joshi

(Chief Financial Officer)

Sunraj Diamond Exports Ltd.

616, Prasad Chambers, 6th Floor, Plot CS 1487, Tata Road,
2, Roxy Cinema, Opera House, Girgaon, Mumbai - 400 004.