

# **SUNRAJ DIAMOND EXPORTS LTD**



**32<sup>nd</sup> ANNUAL REPORT**

**2021 - 2022**

# **SUNRAJ DIAMOND EXPORTS LTD**

## **BOARD OF DIRECTORS**

Sunny S. Gandhi : Wholetime Director  
Shruti Gandhi : Director  
Pravin Shah : Independent Director  
Shivil Kapoor : Independent Director

## **CHIEF FINANCIAL OFFICER**

Prabodhchandra Joshi (Resigned w.e.f 04.09.2021)  
Prakash Indulal Mehta (Appointed w.e.f 11.02.2022)

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Anshul Garg

## **BANKERS**

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

## **STATUTORY AUDITOR**

M/s. Govind Prasad & Co, Chartered Accountants

## **REGISTRARS AND SHARE TRANSFER AGENTS**

Adroit Corporate Services Pvt. Ltd.  
18-20, Jaferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (East), Mumbai-400059.  
E-mail: [support@adroitcorporate.com](mailto: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 32<sup>nd</sup> 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 Friday, 30<sup>th</sup> day of September, 2022 at 11.30 a.m. to transact the following businesses:

**I. Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) i.e. Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss Account and the Cash Flow statement for the financial year ended on 31<sup>st</sup> March, 2022 and the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mrs. Shruti Sunny Gandhi (DIN: 06947535), who retires by rotation and being eligible, offers herself for re-appointment.

**II. Special Business:**

3. To re-appoint Mr. Sunny Gandhi as Whole-time Director of the Company and to consider and pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the reappointment of Mr. Sunny Gandhi (DIN 00695322), as a Whole-time Director of the Company, retiring by rotation with the designation Executive Director, for a period of 3 years effective from 1st October, 2022 till 30<sup>th</sup> September, 2025, on the remuneration and terms and conditions set out in the Explanatory Statement relating to this resolution with liberty and powers to the Board of Directors to alter and vary the terms, conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Sunny Gandhi within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.”

## **SUNRAJ DIAMOND EXPORTS LTD.**

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**RESOLVED FURTHER THAT** the Board of Directors of the Company and Mr. Anshul Garg, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

**For and on behalf of the Board of Directors**

Sd/-

**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: 22<sup>nd</sup> August, 2022

**NOTES**

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and MCA Circular No 02/2022 dated 5<sup>th</sup> May,2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. 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 to the members. 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.
4. 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.
5. 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.
6. 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](http://www.sunrajdiamonds.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.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](http://www.evoting.nsdl.com).
7. 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, MCA Circular No. 20/2020 dated May 05,

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2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No 02/2022 dated 5<sup>th</sup> May, 2022.

8. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in the electronic form are therefore requested to submit their PAN to their depository participants. Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
9. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.

## **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Tuesday, 27<sup>th</sup> September, 2022 at 09:00 A.M. and ends on Thursday, 29<sup>th</sup> September, 2022 at 05: 00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September, 2022.**

### **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: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access</b>

	<p><b>to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ol>

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	<p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
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Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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. Password details for shareholders other than Individual shareholders 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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
- 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.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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](mailto:kiran@cskdco.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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](http://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](http://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](mailto: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](mailto: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](mailto:info@sunrajdiamonds.com). If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

## **SUNRAJ DIAMOND EXPORTS LTD.**

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3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **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 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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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 info@sunrajdiamonds.com. The same will be replied by the company suitably.
6. Members who have any queries or any questions can email to the Company on info@sunrajdiamonds.com.

**For and on behalf of the Board of Directors**

Sd/-

**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: 22<sup>nd</sup> August, 2022

# SUNRAJ DIAMOND EXPORTS LTD.

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

### **Item No. 3**

Mr. Sunny Gandhi was re-appointed as Wholetime Director for a period of 3 years with effect from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022. The Shareholders had approved his re-appointment at the 29<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019. Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 22<sup>nd</sup> August, 2022 proposed to re-appoint Mr. Sunny Gandhi as Whole time Director designated as Executive Director for a further period of 3 years commencing from 1<sup>st</sup> October, 2022 to 30<sup>th</sup> September 2025.

Mr. Sunny Gandhi, Whole time Director, subject to the supervision and control of the Board of Directors, shall carry out such duties and perform such other functions and services as may, from time to time, be assigned/entrusted to him by the Board.

Mr. Sunny Gandhi will be liable to retire by rotation and such retirement and re-appointment at the Annual General Meeting of the Company during the tenure of his office as Whole time Director shall not constitute cessation of office as Whole time Director.

#### 1. **Term of Office:**

Name	Designation	Period
Mr. Sunny Gandhi	Executive Director	1 <sup>st</sup> October,2022 to 30 <sup>th</sup> September, 2025

#### 2. **Remuneration:**

##### a) **Salary**

Name	Salary
Mr. Sunny Gandhi	Rs. 1,00,000/- to Rs. 5,00,000/- p.m.

The revision of salary in the above range, provided the same is within the limits specified under Schedule V to the Companies Act, 2013, will be subject to the approval of the Board of Directors of the Company.

##### b) **Perquisites**

- i. Reimbursement of entertainment expenses in the course of business of the Company.
- ii. Free use of Company's car along with driver, running and maintenance expenses.
- iii. Telephones, telefax and other Communication facilities at residence.
- iv. Subject to the statutory ceiling, the Whole time Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors may from time to time may decide.
- v. Company's contribution to Provident Fund, Superannuation Fund/ Annuity Fund to the extent these are singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961), if applicable to the Company;

- vi. Gratuity at the rate of half a month's salary for each completed year of service if applicable to the Company; and
- vii. Encashment of leave at the end of the tenure, if applicable to the Company.

The salary mentioned above will be inclusive of the perquisites/allowances valued as per Income tax Rules, wherever applicable and in the absence of any such rules, shall be valued at actual cost, subject to a limit of 25% of salary as per a) above.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit within the maximum amount payable to Mr. Sunny Gandhi, Whole time Director, in accordance with the provisions of the Companies Act, 2013 or any amendments made therein.

**MINIMUM REMUNERATION:**

In the event of absence / inadequacy of profits in any financial year, the Company has to pay to the Directors remuneration within the ceiling limit prescribed in Schedule V to the Companies Act, 2013. Therefore, approval of the Shareholders is sought for payment of remuneration to Mr. Sunny Gandhi, Executive Director, not exceeding the limits specified in para A of Section II of Part II of Schedule V to the Companies Act, 2013.

Information pursuant to clause (iv) of the second proviso to Section II, Part II of Schedule V to the Companies Act, 2013 is furnished hereunder.

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. except below mentioned personnel's are interested in the above resolution , financially or otherwise:

<b>Sr No</b>	<b>Name</b>	<b>Nature of Relationship</b>
1.	Sunny Gandhi	Director & Member
2	Shruti Gandhi	Non-Executive Director

**For and on behalf of the Board of Directors**

Sd/-

**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: 22<sup>nd</sup> August, 2022

# SUNRAJ DIAMOND EXPORTS LTD.

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## ANNEXURE - I

**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. Mrs. Shruti Sunny Gandhi - Director

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.	Brief Resume of Director	Mrs. Shruti Gandhi has completed her M.Com and has experience with management and finance related skills.
6.	Nature of Expertise in specific functional areas	M.Com
7.	Disclosure of Relationships between director inter-se	Director is wife of Mr. Sunny Sunil Gandhi
8.	Directorship in Other Companies	Nil
9.	Committee position held in other companies	Nil
10.	Shareholding in the Company (No. of shares)	Nil

### 2. Mr. Sunny Sunil Gandhi - Whole Time Director

1.	Name of Director	Mr. Sunny Sunil Gandhi
2.	Director Identification Number (DIN)	00695322
3.	Date of Birth	25/12/1982
4.	Date of Appointment	01/10/2006
5.	Brief Resume of Director	Mr. Sunny Gandhi has completed his B.Com. and has obtained training in manufacturing and assortment of rough and polished diamonds.
6.	Nature of Expertise in specific functional areas	Business Development, Business Operations, Finance & Management.
7.	Disclosure of Relationships between director inter-se	Director is husband of Mrs. Shruti Sunny Gandhi
8.	Directorship in Other Companies	Sunraj Investment And Finance Private Limited
9.	Committee position held in other companies	Nil
10.	Shareholding in the Company (No. of shares)	1387721

## **DIRECTORS' REPORT**

To  
The Members,  
Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report and Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

The salient features of the Company's working for the year under review are as under:

<b>Particulars</b>	(Rs in Hundreds)		
	<b>Standalone</b>	<b>Consolidated</b>	
	<b>Year Ended 31.03.2022</b>	<b>Year Ended 31.03.2021</b>	<b>Year Ended 31.03.2022</b>
Sales and other Income	4,84,271.71	1,24,172.36	4,84,271.71
Profit /(Loss) before Interest and Depreciation	47,209.29	(34,460.76)	41,740.01
Less Interest Expenses	15,817.60	89,075.54	15,817.60
Profit/(Loss) before Depreciation	31,391.69	(1,23,536.30)	25,922.41
Less: Depreciation	5,84.53	376.95	584.53
Profit/(Loss) Before Taxation	30,807.16	(1,23,913.25)	25,337.88
Less: Provision for Taxation (net)	NIL	NIL	NIL
Less/Add: Deferred Tax	1,398.86	143.19	1,398.86
Profit/(Loss) for the year	29,408.30	(1,31,019.07)	23,939.02
Add: Reserves & Surplus brought forward from Previous year	(4,22,260.84)	(2,91,241.77)	(5,58,863.14)
Balance carried to Balance sheet	(3,92,852.54)	(4,22,260.84)	(5,34,924.12)

### **Operations**

Your Company has recorded a turnover of Rs. 43,822,512 /- during the year under review as opposed to Rs. 12,411,960 in the previous year, an increase of 253.06 % as compared to 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

## **SUNRAJ DIAMOND EXPORTS LTD.**

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which has occurred between the end of the financial year of the Company i.e 31<sup>st</sup> March 2022, 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 (DIN: 06947535) retires by rotation and is eligible for re-appointment.

Brief profiles of the Director seeking re-appointment are annexed to the Notice in Annexure I.

The Board proposes the re-appointment of Mr. Sunny Sunil Gandhi as Whole-Time Director of the Company for the further period of 3years starting from 1<sup>st</sup> October, 2022, subject to approval of members at the ensuing AGM of the Company.

### **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 Six (6) 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. Prakash Indulal Mehta, 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)- **Annexure A to this report** 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 of the Subsidiary Company viz. SUNRAJ DIAMONDS DMCC as the same is listed on the website of the company.

The financial statement of the subsidiary Company is kept open for inspection for 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.

During the financial year ended March 31, 2022, the Company has not entered into any related party transactions ("RPT") requiring the approval of the Board of Directors pursuant to Section 188(1) of the Companies Act, 2013.

Further, no RPT, exceeding the applicable threshold prescribed pursuant to Rule 15(3) (a) of the Companies (Meetings of Board and its Powers) Rules, 2014, requiring member's approval was entered into by the Company during the financial year 2021-22.

There being no related party transaction requiring the approval pursuant to Section 188 of the Companies Act, 2013, the disclosure in **Form AOC 2** is not required to be annexed to this report.

#### **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.

#### **ANNUAL RETURN**

In accordance with the provisions of the Companies Act, 2013, the annual return in the prescribed format (Form MGT-7) is listed at the website of the Company *www.sunrajdiamonds.com*.

#### **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, commensurate with size of the Company, for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

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

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by

## **SUNRAJ DIAMOND EXPORTS LTD.**

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using energy- efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

Particulars with regards to foreign exchange expenditure and earning are given in Notes No. 26(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 provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

### **Directors' Responsibility Statement**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) Internal financial controls laid down in the Company were adequate and operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are 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.

### **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 II 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 informs that M/s. Govind Prasad and Co., Chartered Accountants having Firm Registration No 114360W will act as the Statutory Auditor of the Company for the FY 2022-2023.

### **Auditors' Report**

The Auditors' Report to the shareholders does contain reservation, qualification and adverse remark as under:

<b>Sr No</b>	<b>Qualifications made by Auditor</b>	<b>Explanations by the Board</b>
1.	The Company has not made the provision of employee cost with reference to the retirement benefits of the employees	The Opinion of the Auditor is Self explanatory and Company is in process of complying the same and necessary compliance will be done in due course.
2.	The company has delayed in transferring the amount to Investors Education Protection Fund Account as required by the section 125 of the Companies Act, 2013. Details of delay are available under II (1) (H) (iii) of this audit report.	The Company has transferred funds to Investor Education Protection Fund Account for the FY 2012-2013 as required under Section 125 of the Companies Act, 2013, however the status of the Form IEPF -1 is still under showing as Pending for Upload of Investor Details.

### **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 M/s. Kiran Doshi & Co., Company Secretary (Peer Reviewed Firm **1977/2022**) in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in the prescribed Form No. MR-3 is annexed herewith.

## SUNRAJ DIAMOND EXPORTS LTD.

### QUALIFICATION IN SECRETARIAL AUDIT REPORT AND EXPLANATIONS BY THE BOARD:

Qualifications made by Secretarial Auditor	Explanations by the Board
a) The Company transferred an Unclaimed Dividend amount for the financial year 2012 – 2013 on 30 <sup>th</sup> June, 2022 to the Investor Education & Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013 having due date on 30 <sup>th</sup> October, 2020.	The Company has transferred funds to Investor Education Protection Fund Account for the FY 2012-2013 as required under Section 125 of the Companies Act, 2013 on 30 <sup>th</sup> June, 2022.
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 has transferred funds to Investor Education Protection Fund Account for the FY 2012-2013 as required under Section 125 of the Companies Act, 2013. Once the Form IEPF-1 gets approved, Company will transfer the shares on which the Dividend has not been claimed for 7 consecutive year to IEPF authority. The Company is under process and will do the needful in due course.
c) The Company has done necessary compliance with stock exchange as required under SEBI (LODR) Regulations, 2015, with few delays under few regulations as under: <ul style="list-style-type: none"><li>• Regulation 33- Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, .2022.</li><li>• Regulation 47(3)- Newspaper Publication of Financial results for the quarter ended 30<sup>th</sup> June, 2021.</li><li>• Regulation 23- Related Party Transactions in XBRL format for half year ended April 2021- September, 2021.</li></ul>	The Company has completed all the filing and will take all necessary measures to file all the statutory filings within due date

#### 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

- c) The Whole-time Director 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**

Sd/-  
SUNNY GANDHI  
Wholetime Director  
**DIN No. 00695322**

Sd/-  
SHRUTI GANDHI  
Director  
**DIN No.06947535**

Place: Mumbai,  
Dated: 22<sup>nd</sup> August, 2022

# SUNRAJ DIAMOND EXPORTS LTD.

## ANNEXURE A TO DIRECTOR'S REPORT

### Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details			
1	Name of the subsidiary	Sunraj Diamond DMCC	-	-	-
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April - March	-	-	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	(USD)	-	-	-
4	Share capital	1,08,960	-	-	-
5	Reserves & surplus	(1,85,702)	-	-	-
6	Total assets	3,435	-	-	-
7	Total Liabilities	3,435	-	-	-
8	Investments	0	-	-	-
9	Turnover	0	-	-	-
10	Profit before taxation	(7,205)	-	-	-
11	Provision for taxation	0	-	-	-
12	Profit after taxation	(7,205)	-	-	-
13	Proposed Dividend	0	-	-	-
14	% of shareholding	100.00%	-	-	-

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

**Part “B”: Associates and Joint Ventures**

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

Name of associates/Joint Ventures	-
Latest audited Balance Sheet Date	-
Shares of Associate/Joint Ventures held by the company on the year end	-
No.	-
Amount of Investment in Associates/Joint Venture	-
Extend of Holding%	-
Description of how there is significant influence	-
Reason why the associate/joint venture is not consolidated	-
Net worth attributable to shareholding as per latest audited Balance Sheet	-
Profit/Loss for the year	-
Considered in Consolidation	-
Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

Sd/-	Sd/-
SUNNY GANDHI	SHRUTI GANDHI
Wholetime Director	Director
<b>DIN No. 00695322</b>	<b>DIN No.06947535</b>

Place: Mumbai,

Dated: 22<sup>nd</sup> August, 2022

### **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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

<b>Sr. No.</b>	<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director/ KMP for financial year 2021-2022</b>	<b>% increase in Remuneration in the financial year 2021-2022</b>
1	Mr. Sunny Gandhi(Whole Time Director)	Nil	Nil
2	Prakash Indulal Mehta	Nil	Nil

- (ii)** The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 3,00,300/-
- (iii)** In the financial year 2021-22, there was an increase of 90.67% in the median remuneration of employees.
- (iv)** There were 5 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022.
- (v)** Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 is 27.80% .
- (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 no remuneration was paid to the Whole Time Director of the Company for the year ended 31<sup>st</sup> March, 2022.

**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.**

<b>Sr No</b>	<b>Employee Name</b>	<b>Designation</b>	<b>Educa-tion</b>	<b>Age</b>	<b>Experi-ence (In Years)</b>	<b>Date of Joining</b>	<b>Gross Remunera-tion p.a. (Paid in Rs)</b>	<b>Previous Employ-ment</b>
1	Ms. Yogita Pednekar	Accountant	B.com	44	13	20/07/2009	4,20,000	NIL
2	Mr. Bhavya Doshi	Accountant	B.com	27	3	02/01/2020	4,20,000	NIL
3	Mr. Anshul Garg	Compliance Officer	C.S.	34	4	01/05/2019	3,00,300	NIL
4	Mr. Subhash Malekar	Administrative Staff	SSC	48	13	16/06/2009	1,80,000	NIL
5	Mr. Tushar Ghedad	Administrative Staff	HSC	33	11	01/04/2011	1,68,000	NIL

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

To,

The Members,

Sunraj Diamond Exports Limited

616, Prasad Chambers, 6th Flr, Plot CS 1487 Tata Road 2,

Roxy Cinema, Opera House, Girgaon, Mumbai-400004.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunraj Diamond Exports Limited. (CIN:L36912MH1990PLC057803) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in my opinion, the Company has, during the audit period comprising the Company's financial year ended on 31<sup>st</sup> March, 2022 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:

We 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 31<sup>st</sup> March, 2022 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;
- (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.

We 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:

- a) *The Company transferred an Unclaimed Dividend amount for the financial year 2012 – 2013 on 30<sup>th</sup> June, 2022 to the Investor Education & Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013 having due date on 30<sup>th</sup> October, 2020.*
- 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.*
- c) *The Company has done necessary compliance with stock exchange as required under SEBI (LODR) Regulations, 2015, with few delays under following regulations:*
  - *Regulation 33- Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, 2022.*
  - *Regulation 47(3)- Newspaper Publication of Financial results for the quarter ended 30<sup>th</sup> June, 2021.*
  - *Regulation 23- Related Party Transactions in XBRL format for half year ended April 2021-September 2021.*

## **SUNRAJ DIAMOND EXPORTS LTD.**

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We 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 and Woman Director. During the year under review, Mr. Prabhodchandra Joshi, Chief Financial Officer resigned from the Company w.e.f 4<sup>th</sup> September, 2021 and Mr. Prakash Indulal Mehta was appointed as Chief Financial Officer of the Company w.e.f. 12<sup>th</sup> February, 2022.

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.

We further report that the systems and processes in the Company are inadequate to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We 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 except as below:

1. Mr. Prabhodchandra Joshi resigned as Chief Financial Officer w.e.f 4th September,2021.
2. Mr. Prakash Indulal Mehta was appointed as Chief Financial Officer of the Company w.e.f 12th February,2022.

FOR **KIRAN DOSHI & CO**

Company Secretaries

Sd/-

KIRAN P. DOSHI

(Proprietor)

**CP. No. : 9890 ACS No.: 23985**

**Peer Reviewed Firm : 1977/2022**

**UDIN No.: A023985D000801223**

**Place: Mumbai**

**Date: 16<sup>th</sup> August, 2022**

***Note: This report is to be read with our letter of even date which is annexed to this report as Annexure - 1 and forms an integral part of this report.***

**To**

**The Members,**

**SUNRAJ DIAMOND EXPORTS LIMITED**

**616 Prasad Chambers, 6th Floor**

**Plot CS 1487 Tata Road, 2, Roxy Cinema,**

**Opera House, Girgaon, Mumbai-400 004.**

1. Our report of even date is to be read along with this letter. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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.

**FOR KIRAN DOSHI & CO**

Company Secretaries

Sd/-

KIRAN P. DOSHI

(Proprietor)

**CP. No. : 9890 ACS No.: 23985**

**Peer Reviewed Firm : 1977/2022**

**UDIN No.: A023985D000801223**

**Place: Mumbai**

**Date: 16<sup>th</sup> August, 2022**

## MANAGEMENT DISCUSSION AND ANALYSIS

### A) Industry Structure and Development:

The industry during the year 2021 – 2022 saw a steady recovery up till Q3. The prices of Raw Materials and Finished products saw a steady rise as business started picking up in most major markets across the world. The shortage of good quality raw materials was the major cause of the price rise. Manufacturing activity was robust, and we saw good sales in 2021. We foresee good sales during the current financial year.

### B) Opportunities and Threats

The outbreak of the Ukraine War has given rise to both opportunities and threats to our Industry.

Russia being one of the largest suppliers of Raw Material to the Industry has seen declining stocks being sold as the sanctions have reduced the volume of business from the mining company. This has created a scarcity of good quality raw materials and has contributed to the sudden price rise due to an acute shortage of raw materials.

The small and medium cutters were heavily reliant on the Russian raw materials. Without adequate supply, the revival of the SME sector will continue to be a hugely critical area as they look for alternate sources of raw material. Global markets like the US and Europe which were the traditional heavyweights of the industry are facing a severe cost of living crisis with Inflation being a major reason why luxury goods would not be on the priority list of purchases. This would ultimately put 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 continued existence of Lab Grown CVD Diamonds. Together with this the scarcity of Russian raw materials will also be a very big issue in the coming months. This will continue to be a short-term challenge for the trade. We expect 2022 – 2023 to be a year of sluggish growth, and possibly difficult times for the traditional heavyweight consumer markets.

### E) Risk and Concerns

The Company identifies liquidity issues, sluggish sales as we approach the festive season 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022.

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 1 is Non-executive Directors and 1 is 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 husband of Mrs. Shruti Gandhi, Director.

In the financial year 2021 – 2022, the Board met Six times. The Board Meetings were held on (1) 08<sup>th</sup> April, 2021, (2) 30<sup>th</sup> June, 2021, (3) 14<sup>th</sup> August, 2021, (4) 04<sup>th</sup> September, 2021, (5) 09<sup>th</sup> November, 2021, (6) 11<sup>th</sup> February, 2022.

## SUNRAJ DIAMOND EXPORTS LTD.

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 Chair-man	As Mem-ber	Held	At-tended	
Mr. Sunny Gandhi	Promoter ED	1387721	Sunraj Investments & Finance Pvt.Ltd.	Nil	2	6	6	Yes
Mr. Pravin Shah	Independent Director	Nil	Nil	Nil	3	6	6	No
Mrs. Shruti Gandhi	Women Director NED	Nil	Nil	1	1	6	6	Yes
Mr. Shivil Kapoor	Independent Director	Nil	Nil	2	Nil	6	6	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.

### Meeting of Independent Directors

The Independent Directors met once during the Financial Year 2021-22, 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	Chairman	4
Mr. Pravin Shah	Member	4
Mr. Sunny Gandhi	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 2021-22, on the following dates namely, (1) 30<sup>th</sup> June, 2021, (2) 14<sup>th</sup> August, 2021, (3) 09<sup>th</sup> November, 2021, (4) 11<sup>th</sup> February, 2022 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.

<b>Member</b>	<b>Position</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Shivil Kapoor	Chairman	1	1
Pravin Shah	Member	1	1
Shruti Gandhi	Member	1	1

The Company also has a Nomination and Remuneration Policy.

## SUNRAJ DIAMOND EXPORTS LTD.

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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 2021-22, on 11<sup>th</sup> February, 2022.

The details of remuneration paid to Directors/ Executive Directors for the financial year ended 31<sup>st</sup> March, 2022 are set out below:

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

### Non-Executive Directors

Name	Sitting Fees Paid
Mr. Shivil Kapoor	11,000
Mrs. Shruti Gandhi	NIL
Mr. Pravin Shah	15,000
<b>Total</b>	<b>26,000</b>
<b>Wholetime/ Executive Directors</b>	
Name	Salary
Mr. Sunny Gandhi	NIL
<b>Total</b>	<b>NIL</b>

### 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
Sunny Gandhi	Member	4	4

Stakeholders Relationship Committee met four times during the financial year 2021-22, on the following dates namely, (1) 30th June, 2021, (2) 14th August, 2021, (3) 09th November, 2021, (4) 11th February, 2022 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.

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:

Sr. NO.	Nature of Complaints	No. of Complaints		
		Received	Resolved	Pending as on 31/03/2022
1)	Non receipt of Annual Report	NIL	NIL	NIL
2)	Complaints relating to Dematerialization of Shares	NIL	NIL	NIL
3)	Non-receipt of Shares certificates After transfer / duplicate / Name correction	NIL	NIL	NIL
4)	Others	NIL	NIL	NIL
	<b>TOTAL</b>	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
2020-2021	Thursday 30/09/2021	Video Conferencing/ Audio Visual Means	11.30 a.m.
2019-2020	Wednesday 05/05/2021	Video Conferencing/ Audio Visual Means	11.00 a.m.
2018-2019	Monday 30/09/2019	Seva Sadan Hall, Pandita Ramabai Road. Gamdevi. Mumbai - 400007.	3.00 p.m.

#### Business

During 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:

- In 2017- 2018 AGM: No Special Resolution passed
- In 2018- 2019 AGM: Special Resolution was passed for re-appointment of Mr. Sunny Gandhi as a Whole-time Director for a term of 3 years commencing from 1<sup>st</sup> October, 2019 were passed at the AGM held on 30<sup>th</sup> September, 2019.
- In 2019 - 2020 AGM: No Special Resolution passed
- In 2020 - 2021 AGM: No Special Resolution passed

#### 7. Disclosures

##### 1. Related Party Transactions

There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their associate companies or relatives, not conflicting with Company's interest, the details of which have been shown in Note No. 28 of Financial Statements, Notes forming part of the Accounts for the year ended 31<sup>st</sup> March, 2022

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 31<sup>st</sup> March, 2022.

### 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/ structures have been imposed on the Company by the Stock Exchange or SEBI except as below:

- a. For the Financial Year March 2014 under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the penalty amount is Rs. 12,980 of which 12,360 is paid & a nominal amount of Rs 620 remains unpaid.
- b. For the Financial Year March 2022 under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was a delay in submission of consolidated accounts & penalty of Rs. 2,71,400 was levied as on 15<sup>th</sup> July 2022, the same remains unpaid.

### 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.

### 7. **Means of Communication**

The Company files its financial results with the Stock Exchanges immediately after its approval by the Board. The Company is 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.

**8. General Shareholder Information**

a.	AGM Day, Date, Time Venue	Friday, 30 <sup>th</sup> September, 2022, at 11.30 a.m. Video Conferencing/ Audio Visual Means
b.	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.
c.	Book Closure Period	24 <sup>th</sup> September, 2022, - 30 <sup>th</sup> September, 2022

**f) 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.

**g) Stock/Company/Security/Common Code:**

BSE Limited  
Code: 523425

**h) Demat ISIN No. for Depositories: INE459D01014**

**i) Market Price Data:**

High/Low of the Company's Shares traded in the BSE Limited, during the financial year 2021 - 2022 is furnished below:

Month & year	Company's Share Price	
	High	Low
April 2021	1.85	1.60
May 2021	2.45	1.84
June 2021	2.70	2.35
July 2021	4.60	2.68
August 2021	5.15	4.30
September 2021	5.00	4.20
October 2021	7.56	4.95
November 2021	8.15	6.01
December 2021	10.48	6.61
January 2022	9.74	6.32
February 2022	7.65	6.46
March 2022	8.65	5.89

## SUNRAJ DIAMOND EXPORTS LTD.

### j) 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 its offices 18-20, Jaferbhoy Ind. Estate, 1<sup>st</sup> 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 31<sup>st</sup> March, 2022.

Sr. No.	Holders	No. of Shares Held	% of Total
A	Promoters Holding	1987721	37.29
B	Non-Institutional Investors	0	0
a	Bodies Corporate	31062	0.58
b	Indian Public	3137014	58.85
c	NRI's	23185	0.44
d	Others	151418	2.84
	<b>Total</b>	<b>53,30,400</b>	<b>100.00</b>

### Board Shareholding Distribution as on 31<sup>st</sup> March, 2022.

No. of Shares	No of Holders	%to total	No. of Share	% to total
1 to 500	8458	94.2	1220882	22.91
501 to 1000	298	3.32	244418	4.59
1001 to 2000	111	1.24	168196	3.16
2001 to 3000	35	0.39	86440	1.62
3001 to 4000	14	0.16	52227	0.98
4001 to 5000	19	0.21	85546	1.60
5001 To 10000	19	0.21	130206	2.44
10001 and above	25	0.27	3342485	62.70
	8979	100	5330400	100

### Dematerialization of Shares & Liquidity

As on 31<sup>st</sup> March, 2022, 80.20% of the Company's total shares representing 42,75,000 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 - 400004.

**10. COMPLIANCE OF NON-MANDATORY REQUIREMENTS**

**1) Chairman of the Board**

The Company does not have a permanent 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.**

Audit Qualifications as detailed in Statutory Auditor's Report are self explanatory.

Sd/-  
**SUNNY GANDHI**  
Wholetime Director  
**DIN No. 00695322**

Sd/-  
**SHRUTI GANDHI**  
Director  
**DINNo.06947535**

Place: Mumbai

Dated: 22<sup>nd</sup> August, 2022

## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **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 Diamond 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 2021-2022.

For and on behalf of the Board of Directors

Sd/-

**SUNNY GANDHI**  
Wholetime Director  
**DIN No. 00695322**

Place : Mumbai

Dated : 22<sup>nd</sup> August, 2022

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To**

**The Members of**

**SUNRAJ DIAMOND EXPORTS LIMITED.**

We have examined the conditions of Corporate Governance by Sunraj Diamond Exports Limited for the year ended 31<sup>st</sup> March, 2022 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 composition of the Board of Directors is duly constituted 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 Govind Prasad & Co  
Chartered Accountants,  
FRN NO: 114360W

Sd/-  
Govind Prasad  
Partner  
Membership No 047948  
UDIN : 22047948APMHRM2291

Place :Mumbai

Date: 22<sup>nd</sup> August, 2022

## Independent Auditor's Report

To the members of

**Sunraj Diamond Exports Limited**

### I. Report on the audit of the standalone financial statements

#### 1. Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Sunraj Diamond Exports Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the *basis for qualified opinion* section of our report, 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, 2022, **the Profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date

#### 2. Basis for Qualified Opinion

1. **As per the note no. 31: Employee Benefits, the company has not made the provision of employee cost with reference to the retirement benefits of the employees.**
2. **The company has delayed in transferring the amount to Investors Education Protection Fund Account as required by the section 125 of the Companies Act, 2013. Details of delay are available under II (1) (H) (iii) of this audit report.**

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

**3. 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 not determined any key audit matters which needs specific mention.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative

but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) 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 with reference to financial statements in place and the operating effectiveness of such controls
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- iv) 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
- v) 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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- i) Planning the scope of our audit work and in evaluating the results of our work; and
- ii) To evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

## **II. Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
  - D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial

## SUNRAJ DIAMOND EXPORTS LTD.

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statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.

- G. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: 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 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 does not have pending litigations having impact on its financial position in its Standalone Financial Statements
  - ii) The Company does not have any material foreseeable losses, if any, on long-term contracts including derivative contracts
  - iii) The company has delayed in transferring of dividend to Investor Education Protection Fund as under:

<b>Financial Year</b>	<b>Amount</b>	<b>Due date of payment</b>	<b>Date of payment</b>
2011-12	6,48,101	17 <sup>th</sup> October, 2019	8 <sup>th</sup> February 2022
2012-13	6,67,157	19 <sup>th</sup> October, 2021	Not yet transferred

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W

Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN: 22047948AJXANI3925

Place : Mumbai  
Date : 30<sup>th</sup> May 2022

**ANNEXURE 'A' TO THE AUDITORS' REPORT**

**The Annexure referred to in our report to the members of Sunraj Diamond Exports Limited for the year ended 31<sup>st</sup> March, 2022.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

**1. Property, Plant and Equipment:**

The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.

The Company is maintaining proper records showing full particulars of intangible assets.

As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

The Company is not having any immovable property hence the clause related to Title deed is not applicable.

The Company has not revalued its Property, Plant and Equipment (Including right of Use assets) or intangible assets or both during the year.

No proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.

**2. Inventory:**

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy of 10% or more in the aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.

During any point of time of the year, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets.

**3. Loans, Guarantee and Advances given:**

The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013

**4. Loans, Guarantee and Advances to Director of Company:**

During the year the company has not provided any loans, guarantees, advances and securities to the director of the company and the company is compliant provisions of section 185 and 186 of the Companies Act, 2013.

**5. Deposits:**

The Company has not accepted any deposits from the public and hence the directives issued

## SUNRAJ DIAMOND EXPORTS LTD.

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by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

### 6. Maintenance of costing records:

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### 7. Deposit of statutory liabilities:

- The company is irregular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax have been deposited on time there is no dispute pending on the part of company, except for the dispute mentioned below.

<b>Statute of under which dispute is pending</b>	<b>Financial Year</b>	<b>Amount</b>	<b>Authority before which pending</b>
Income Tax Act 1961	2012-13	50,64,570	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	2013-14	23,69,640	Commissioner of Income Tax (Appeals)

### 8. Surrendered or disclosed as income in the tax assessments:

The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

### 9. Default in repayment of borrowings:

- a) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender.
- b) The company is not declared willful defaulter by any bank or financial institution or other lender
- c) The term loans were applied for the purpose for which the loans were obtained
- d) No funds raised on short term basis have been utilized for Long Term Purpose.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

**10. Funds raised and utilisation:**

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

**11. Fraud and whistle-blower complaints:**

According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

No Report under Sub section 12 of Section 143 of the Companies Act has been filed by the Auditors in the form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

No Whistle-blower complaints have been received during the year by the Company.

**12. Nidhi Company:**

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

**13. Related Party Transactions:**

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

**14. Internal Audit:**

The company does not have internal audit system and the same clause is not commented.

**15. Non Cash Transactions:**

The company has not entered into non-cash transactions with directors or persons connected with him.

**16. Registration under RBI act:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

The Company has not conducted any Non-Banking Financial or Housing Finance activities hence the said clause is not applicable

The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence clause "C" and clause "D" are not applicable

## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **17. Cash Losses:**

The company has not incurred cash losses in the financial year but has incurred cash losses in immediately preceding financial year amounting to Rs. 123,53,630/-

### **18. Resignation of Statutory Auditors:**

There has been no instance of any resignation of the statutory auditors occurred during the year.

### **19. Material uncertainty on meeting liabilities:**

On the basis of financial Ratios, Aging and expected dates of Realisation of financial assets and payment of financial liabilities, other Information accompanying the financial statements, In our opinion, No material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date

### **20. Transfer to fund specified under Schedule VII of Companies Act, 2013**

The same is not applicable to the company

### **21. Qualifications or adverse auditor remark in other group companies**

This Clause is not applicable to the company

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W

Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN: 22047948AJXANI3925

Place : Mumbai

Date : 30<sup>th</sup> May 2022

**ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **Sunraj Diamond Exports Limited** ("The Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

# **SUNRAJ DIAMOND EXPORTS LTD.**

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## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W

Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN: 22047948AJXANI3925

Place : Mumbai  
Date : 30<sup>th</sup> May 2022

**BALANCE SHEET AS AT 31ST MARCH 2022**

(Rs. In hundred)

PARTICULARS	NOTES	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments	2	5,643.02	5,011.71
Intangible Assets	3	2,782.90	180.52
<b>Financial Assets</b>			
Investments	4	59,671.00	59,671.00
Other Financial Assets	5	2,175.00	4,698.00
Deferred Tax Assets (Net)	6	3,506.13	4,904.99
		<u><b>73,778.05</b></u>	<u><b>74,466.22</b></u>
<b>Current Assets</b>			
Inventories		596,691.25	33,369.96
<b>Financial Assets</b>			
Trade Receivables	7	1,139,960.89	1,542,088.74
Cash and Cash Equivalents	8A	24,006.86	5,406.02
Other Balance with Banks	8B	6,671.57	13,003.06
Loans	9	2,940.00	170.00
Other Current Assets	10	23,971.44	19,027.51
		<u><b>1,794,242.01</b></u>	<u><b>1,613,065.29</b></u>
		<u><b>1,868,020.06</b></u>	<u><b>1,687,531.51</b></u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11A	533,040.00	533,040.00
Other Equity	11B	(392,852.54)	(422,260.84)
		<u><b>140,187.46</b></u>	<u><b>110,779.16</b></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	12	475.23	2,652.55
		<u><b>475.23</b></u>	<u><b>2,652.55</b></u>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	13	1,694,749.91	1,398,574.02
Trade Payables	14	24,568.44	157,560.38
Other Financial Liabilities	15	7,916.77	17,149.14
Other Current Liabilities	16	122.25	816.25
		<u><b>1,727,357.36</b></u>	<u><b>1,574,099.79</b></u>
		<u><b>1,868,020.06</b></u>	<u><b>1,687,531.51</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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 Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th May 2022, Place: Mumbai  
UDIN: 22047948AJXANI3925**

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

Sd/-  
**Sunny Gandhi  
(Director)  
DIN-00695322**

Sd/-  
**Anshul Garg  
(Company Secretary)  
Date : 30th May 2022, Place: Mumbai**

Sd/-  
**Shivil Kapoor  
(Independent Director)  
DIN-08616488**  
Sd/-  
**Prakash Mehta  
(Chief Financial Officer)**

# SUNRAJ DIAMOND EXPORTS LTD.

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. In hundred)

PARTICULARS	NOTES	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>INCOME FROM OPERATIONS</b>			
Income from operations	17	438,225.12	124,119.60
Other Income	18	46,046.59	52.76
<b>TOTAL INCOME (I)</b>		<b>484,271.71</b>	<b>124,172.36</b>
<b>EXPENSES</b>			
Cost of Traded Goods	19	955,124.83	74,387.94
Change in Inventories of Finished Goods & Raw Material	20	(563,321.29)	(6,700.34)
Employee Benefit Expenses	21	15,948.73	18,927.59
Finance Cost	22	16,613.29	89,331.75
Depreciation and Amortisation Expense	23	584.53	376.95
Other Expenses	24	28,514.47	71,761.73
<b>TOTAL (II)</b>		<b>453,464.55</b>	<b>248,085.62</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>30,807.16</b>	<b>(123,913.25)</b>
Tax Expenses	25		
Current Tax		-	-
Deferred Tax		1,398.86	143.19
Tax in respect of earlier years			6,962.62
		<b>1,398.86</b>	<b>7,105.81</b>
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>29,408.30</b>	<b>(131,019.07)</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
Items that will not be reclassified to Statement of Profit and Loss		-	-
Items that will be reclassified to Statement of Profit and Loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>29,408.30</b>	<b>(131,019.07)</b>
Earnings per equity share (Face value of 10 each)	39		
1) Basic (in Rs.)		0.55	(2.46)
2) Diluted (in Rs.)		0.55	(2.46)
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 Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th May 2022, Place: Mumbai  
UDIN: 22047948AJXANI3925**

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

Sd/-  
**Sunny Gandhi  
(Director)  
DIN-00695322**

Sd/-  
**Anshul Garg  
(Company Secretary)**

Sd/-  
**Shivil Kapoor  
(Independent Director)  
DIN-08616488**

Sd/-  
**Prakash Mehta  
(Chief Financial Officer)**

**Date : 30th May 2022, Place: Mumbai**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before tax	30,807.16	(123,913.25)
Adjustment for :		
Depreciation and Amortisation & Exceptional items	584.53	376.95
Loss on sale of asset	-	495.43
Exchange rate difference	(38,967.40)	37,777.98
Interest Received	(4.59)	-
Finance Costs	16,613.29	89,331.75
<b>Operating Profit before Working Capital Changes</b>	<b>9,032.98</b>	<b>4,068.86</b>
Adjustment for :		
(Increase) / Decrease in Trade Receivables	441,095.26	25,347.35
(Increase) / Decrease in Financial Assets	(247.00)	(640.00)
(Increase) / Decrease in Inventories	(563,321.29)	(6,700.34)
(Increase) / Decrease in Other assets	1,587.74	3,628.29
Increase / (Decrease) in Trade and other payables	(142,918.31)	(61,740.88)
Cash generated from Operations activities	<b>(254,770.63)</b>	<b>(36,036.72)</b>
Direct Taxes Paid (Net of Refund)	(200.17)	(1,891.61)
<b>Net Cash from Operating Activities (A)</b>	<b>(254,970.80)</b>	<b>(37,928.33)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant and equipment	(3,818.22)	(524.18)
Interest Received	4.59	-
Sale of Property, Plant and equipment	-	84.74
<b>Net Cash used in Investing Activities (B)</b>	<b>(3,813.63)</b>	<b>(439.44)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings (net of borrowings repaid)	293,998.57	130,994.04
Finance Cost	(16,613.29)	(89,331.75)
<b>Net Cash used in Financing Activities (C)</b>	<b>277,385.28</b>	<b>41,662.29</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>18,600.85</b>	<b>3,294.52</b>
Cash & Cash Equivalents at the beginning of the year	5,406.02	2,111.52
Cash & Cash Equivalents at the end of the year	<b>24,006.86</b>	<b>5,406.04</b>
(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) <b>PARTICULAR</b>	<b>As at 31st MARCH,2022</b>	<b>As at 31st March,2021</b>
Cash and Cash Equivalents comprises of		
Balance with Banks:		
-Current Accounts	22,042.79	4,348.71
-FDRs	500.00	-
Cash on hand	1,464.06	1,057.30
<b>Cash and Cash Equivalent in Cash Flow Statement</b>	<b>24,006.86</b>	<b>5,406.02</b>

As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th May 2022, Place: Mumbai  
UDIN: 22047948AJXANI3925

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

Sd/-  
Sunny Gandhi  
(Director)  
DIN-00695322

Sd/-  
Anshul Garg  
(Company Secretary)  
Date : 30th May 2022, Place: Mumbai

Sd/-  
Shivil Kapoor  
(Independent Director)  
DIN-08616488  
Sd/-  
Prakash Mehta  
(Chief Financial Officer)

# SUNRAJ DIAMOND EXPORTS LTD.

## Statement of changes in equity for the year ended 31st March 2022

### A : EQUITY SHARE CAPITAL

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the Reporting period	533,040	533,040
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting period	<u>533,040</u>	<u>533,040</u>

### B : OTHER EQUITY

(Rs. In hundred)

OTHER EQUITY	Reserves & Surplus			Total
	Capital Reserve	General Reserve	Retained Earning	
<b>Balance as at 01st April 2020 (A)</b>	5,980.00	5,697.18	(302,918.95)	(291,241.77)
<b>Addition during the year:</b>				
Profit/(Loss) for the period	-	-	(131,019.07)	(131,019.07)
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31st March 2021(B)</b>	<u>-</u>	<u>-</u>	<u>(131,019.07)</u>	<u>(131,019.07)</u>
Reductions during the year	-	-	-	-
<b>Total (C)</b>	-	-	-	-
<b>Balance as at 31st March 2021 (D)=(A+B+C)</b>	<u>5,980.00</u>	<u>5,697.18</u>	<u>(433,938.02)</u>	<u>(422,260.84)</u>
<b>Addition during the year:</b>				
Profit/(Loss) for the period	-	-	29,408.30	29,408.30
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2022 (E)</b>	<u>-</u>	<u>-</u>	<u>29,408.30</u>	<u>29,408.30</u>
Reductions during the year	-	-	-	-
<b>Total (F)</b>	-	-	-	-
<b>Balance as at 31st March 2022 (G)=(D+E+F)</b>	<u>5,980.00</u>	<u>5,697.18</u>	<u>(404,529.72)</u>	<u>(392,852.54)</u>

As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th May 2022, Place: Mumbai  
UDIN: 22047948AJXANI3925

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

Sd/-  
Sunny Gandhi  
(Director)  
DIN-00695322

Sd/-  
Anshul Garg  
(Company Secretary)  
Date : 30th May 2022, Place: Mumbai

Sd/-  
Shivil Kapoor  
(Independent Director)  
DIN-08616488  
Sd/-  
Prakash Mehta  
(Chief Financial Officer)

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## Notes To The Financial Statements For The Year Ended 31st March, 2022

### 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.

## SUNRAJ DIAMOND EXPORTS LTD.

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**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.

**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.

## SUNRAJ DIAMOND EXPORTS LTD.

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### **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.

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.

**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.

**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.

# SUNRAJ DIAMOND EXPORTS LTD.

Notes forming part of the financial statements for the year ended 31st March 2022

## NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(Rs. in Hundred)

Description	Computer	Furniture	Office Equipment	Vehicles	Total
Cost as at April 1,2021	3,911.03	9,507.26	9,007.34	65,082.41	<b>87,508.04</b>
Additions	381.36	-	516.86	-	<b>898.22</b>
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Cost as at March 31, 2022</b>	<b>4,292.39</b>	<b>9,507.26</b>	<b>9,524.20</b>	<b>65,082.41</b>	<b>88,406.26</b>
Accumulated depreciation as at April 1, 2021	3,715.45	8,724.50	8,228.08	61,828.30	<b>82,496.33</b>
Depreciation for the period	90.57	61.48	114.86	-	<b>266.91</b>
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>3,806.02</b>	<b>8,785.98</b>	<b>8,342.94</b>	<b>61,828.30</b>	<b>82,763.24</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>486.37</b>	<b>721.28</b>	<b>1,181.26</b>	<b>3,254.11</b>	<b>5,643.02</b>

Description	Computer	Furniture	Office Equipment	Vehicles	Total
Cost as at April 1,2020	3,911.03	9,507.26	8,661.16	76,685.90	<b>98,765.35</b>
Additions	-	-	346.18	-	<b>346.18</b>
Disposals	-	-	-	11,603.49	<b>11,603.49</b>
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Cost as at March,31 ,2021</b>	<b>3,911.03</b>	<b>9,507.26</b>	<b>9,007.34</b>	<b>65,082.41</b>	<b>87,508.04</b>
Accumulated depreciation as at April 1, 2020	3,648.74	8,663.02	8,021.60	72,851.62	<b>93,184.98</b>
Depreciation for the period	66.71	61.48	206.48	-	<b>334.67</b>
Disposals	-	-	-	11,023.32	<b>11,023.32</b>
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>3,715.45</b>	<b>8,724.50</b>	<b>8,228.08</b>	<b>61,828.30</b>	<b>82,496.33</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>195.58</b>	<b>782.76</b>	<b>779.26</b>	<b>3,254.11</b>	<b>5,011.71</b>

## Notes forming part of the financial statements for the year ended 31st March 2022

## NOTE 3 : INTANGIBLE ASSETS

(Rs. in Hundred)

Description	Computer Software
Cost as at April 1,2021	1,073.85
Additions	2,920
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Cost as at March 31 ,2022</b>	<b>3,993.85</b>
Accumulated depreciation as at April 1, 2019	893.33
Depreciation for the period	317.62
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>1,210.95</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>2,782.90</b>

Description	Computer Software
Cost as at April 1,2020	895.85
Additions	178
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Cost as at March 31 ,2021</b>	<b>1,073.85</b>
Accumulated depreciation as at April 1, 2020	851.05
Depreciation for the period	42.28
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
Accumulated depreciation as at March 31, 2021	893.33
<b>Net carrying amount as at March 31, 2021</b>	<b>180.52</b>

# SUNRAJ DIAMOND EXPORTS LTD.

Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>NOTE 4 : NON CURRENT INVESTMENTS</b>		
<b>Non Current Investments</b>		
<b>Investments in Equity Instruments at Cost</b>		
<b>Unquoted Equity Shares</b>		
<u>Investment in Subsidiary</u>		
(100% Investments in Share Capital of Sunraj Diamond DMCC)	59,521.00	59,521.00
<u>Investment in other company</u>		
150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March,2020 - 150 shares)	150.00	150.00
<b>Total Investments in Unquoted Equity Shares</b>	<b><u>59,671.00</u></b>	<b><u>59,671.00</u></b>
Aggregate amount of Unquoted Investments -At Cost	<b><u>59,671.00</u></b>	<b><u>59,671.00</u></b>
Aggregate provision for diminution in value of investments	-	-
 <b>NOTE 5 : OTHER FINANCIAL ASSETS</b>		
Security Deposits	2,175.00	4,698.00
<b>TOTAL Rs.</b>	<b><u>2,175.00</u></b>	<b><u>4,698.00</u></b>
 <b>NOTE 6 : DEFERRED TAX ASSETS</b>		
<b>Deferred Tax Assets</b>		
Property, plant and equipment - difference between value of assets as per book base and tax base	3,506.13	4,904.99
<b>Total Deferred Tax Assets</b>	<b><u>3,506.13</u></b>	<b><u>4,904.99</u></b>
 <b>NOTE 7 : TRADE RECEIVABLES *</b>		
(i) Disputed Trade receivables – considered good		
(ii) Disputed Trade Receivables – considered doubtful		
(iii) Undisputed Trade Receivables considered good		
Less than 6 months	249,949.80	307,044.06
6 months to 1 year	-	14.38
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	890,011.09	1,235,030.30
(iv) Undisputed Trade Receivables considered doubtful	-	-
	<b><u>1,139,960.89</u></b>	<b><u>1,542,088.74</u></b>
Less: Allowances for unsecured doubtful debts	-	-
<b>TOTAL Rs.</b>	<b><u>1,139,960.89</u></b>	<b><u>1,542,088.74</u></b>

**Notes forming part of the financial statements for the year ended 31st March 2022**

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
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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

**NOTE 8 : CASH AND BANK BALANCES \***

**(A) Cash and Cash Equivalents**

(a) Balances with Banks		
(i) Current Accounts	22,042.79	4,348.71
(ii) FDRs	500.00	-
(b) Cash on hand	1,464.06	1,057.30
<b>TOTAL Rs.</b>	<b>24,006.86</b>	<b>5,406.02</b>

**(B) Other Balances with Banks**

Unclaimed Dividend Accounts	6,671.57	13,003.06
<b>TOTAL Rs.</b>	<b>6,671.57</b>	<b>13,003.06</b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

**NOTE 9 : Loans\***

Loans to Employees	2,940.00	170.00
<b>TOTAL Rs.</b>	<b>2,940.00</b>	<b>170.00</b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

**NOTE 10 : OTHER CURRENT ASSETS**

Prepaid Expenses	1,503.62	1,066.49
Balance with Statutory Authorities	22,397.02	17,961.02
Other assets	70.80	-
<b>TOTAL Rs.</b>	<b>23,971.44</b>	<b>19,027.51</b>

# SUNRAJ DIAMOND EXPORTS LTD.

## Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
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### NOTE 11A : EQUITY SHARE CAPITAL

#### Authorised

80,00,000 (P.Y. 80,00,00) Equity Shares of Rs. 10 each	800,000	800,000
	<b>800,000</b>	<b>800,000</b>

#### Issued, Subscribed and Fully Paid up Capital

53,30,400 (P.Y. 53,30,400) Equity Shares of Rs. 10 each fully paid	533,040	533,040
	<b>533,040</b>	<b>533,040</b>

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

PARTICULARS	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	(Rs. In hundred)	No. of Shares	(Rs. In hundred)
At the beginning of the year	5,330,400	533,040	5,330,400	533,040
Add: Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>5,330,400</b>	<b>533,040</b>	<b>5,330,400</b>	<b>533,040</b>

### b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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 31st March 2022		As at 31st March 2021	
	No. of Shares	% held	Equity Shares	% held
<b>Equity Shares</b>				
Sunny Sunil Gandhi	1,387,721	26.03%	1,320,800	24.78%
Gunvanti Chandrakant Gandhi	375,000	7.04%	375,000	7.04%

### Promoters shareholding for the year ended 31st March 2022

Name of the promoter	Shares held by promoters at the end of the year	% Change during the year	No of Shares	% of total shares
1) Sunny Sunil Gandhi	1,387,721	1.26%	1,387,721	26.03%
2) Sunil Chandrakant Gandhi	115,000	-	115,000	2.16%
3) Sean Sunil Gandhi	110,000	0.11%	110,000	2.06%
4) Gunvanti Chandrakant Gandhi	375,000	-	375,000	7.04%

### Promoters shareholding for the year ended 31st March 2021

Name of the promoter	Shares held by promoters at the end of the year	% Change during the year	No of Shares	% of total shares
1) Sunny Sunil Gandhi	1,320,800	-	1,320,800	24.78%
2) Sunil Chandrakant Gandhi	115,000	-	115,000	2.16%
3) Sean Sunil Gandhi	104,205	-	104,205	1.95%
4) Gunvanti Chandrakant Gandhi	375,000	-	375,000	7.04%

## Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at			As at
	31st March 2022			31st March 2021
<b>NOTE 11B : OTHER EQUITY</b>				
<b>OTHER EQUITY</b>	<b>Reservs &amp; Surplus</b>			<b>Total</b>
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earning</b>	
<b>Balance as at April 01, 2020 (A)</b>	5,980.00	5,697.18	(302,918.95)	(291,241.77)
<b>Addition during the year:</b>				
Profit for the period	-	-	(131,019.07)	(131,019.07)
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2021 (B)</b>	-	-	<b>(131,019.07)</b>	<b>(131,019.07)</b>
Reductions during the year	-	-	-	-
<b>Total (C)</b>	-	-	-	-
<b>Balance as at 31st March 2021 (D)=(A+B+C)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(433,938.02)</b>	<b>(422,260.84)</b>
<b>Addition during the year:</b>				
Profit for the period	-	-	29,408.30	29,408.30
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2022 (E)</b>	-	-	<b>29,408.30</b>	<b>29,408.30</b>
Reductions during the year	-	-	-	-
<b>Total (F)</b>	-	-	-	-
<b>Balance as at 31st March 2022 (G)=(D+E+F)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(404,529.72)</b>	<b>(392,852.54)</b>

**NOTE 12 : NON CURRENT BORROWINGS \*****Secured Loan**

From Banks	475.23	<b>2,652.55</b>
(Secured against Car)		
<b>TOTAL Rs.</b>	<b>475.23</b>	<b>2,652.55</b>

**NOTE 13 : CURRENT BORROWINGS \*****A: Current maturities of long term borrowings**

\* Refer note 27 - Financial instruments, fair values and risk measurement

3,620.47	3,111.81
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**Note:**

**13.1** Vehicle Loan, balance outstanding amounting to Rs. 4.09 Lacs (P.Y. Rs .5.76 Lacs) is secured by Hire Purchase agreement for vehicles and repayable in 38 monthly installments.Last installment due in April,2023.

**13.2** Installments falling due in respect of all the above Loans up to 31/03/2023 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.

# SUNRAJ DIAMOND EXPORTS LTD.

## Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>B: Unsecured Loan</b>		
From Directors	1,691,129.44	1,342,664.71
Inter Corporate Loans	-	52,797.50
<b>TOTAL Rs.</b>	<b><u>1,694,749.91</u></b>	<b><u>1,398,574.02</u></b>

### NOTE 14 : TRADE PAYABLES \*

(i) MSME- Disputable (Refer Note 27)	-	-
(ii) Trade Payable for Goods Others- Disputable	-	-
(iii) Undisputed dues – MSME	-	-
(iv) Undisputed dues – Others		
Less than 1year	4,424.73	20,916.97
1-2years	59.00	8,957.82
2-3years	3,830.20	112,367.80
More than 3 years	16,254.51	15,317.79
<b>TOTAL Rs.</b>	<b><u>24,568.44</u></b>	<b><u>157,560.38</u></b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

### NOTE 15 : OTHER FINANCIAL LIABILITIES

Provision for Employee Benefits	1,190.00	2,323.00
Unclaimed Dividend*	6,671.57	13,003.06
Provision for expenses	55.20	1,323.08
Security Deposit	-	500.00
<b>TOTAL Rs.</b>	<b><u>7,916.77</u></b>	<b><u>17,149.14</u></b>

\* There is an amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2022 for the Financial year 2012-13 of Rs. RS.6,67,157.

### NOTE 16 : OTHER CURRENT LIABILITIES

Statutory liabilities	122.25	816.25
<b>TOTAL Rs.</b>	<b><u>122.25</u></b>	<b><u>816.25</u></b>

Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	Year ended 31st March 2022	Year ended 31st March 2021
<b>NOTE 17 : INCOME FROM OPERATIONS</b>		
Sale of Products	438,225.12	73,676.72
Sale of services	-	50,442.88
<b>TOTAL Rs.</b>	<b><u>438,225.12</u></b>	<b><u>124,119.60</u></b>
<b>NOTE 18 : OTHER INCOME</b>		
Net Gain on Foreign Exchange Fluctuation	38,967.40	-
Discount Received	51.30	52.76
Other Income	7,023.30	-
Interest on FD	4.59	-
<b>TOTAL Rs.</b>	<b><u>46,046.59</u></b>	<b><u>52.76</u></b>
<b>NOTE 19 : COST OF TRADED GOODS</b>		
Purchase of Stock in Trade	955,124.83	74,387.94
<b>TOTAL Rs.</b>	<b><u>955,124.83</u></b>	<b><u>74,387.94</u></b>
<b>NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; RAW MATERIAL</b>		
Inventories at the end of the year		
Finished Goods	596,691.25	33,369.96
Raw Material	-	-
	<b><u>596,691.25</u></b>	<b><u>33,369.96</u></b>
Inventories at the beginning of the year		
Finished Goods	33,369.96	26,289.46
Raw Material	-	380.16
<b>Changes In Inventories of Finished Goods &amp; Raw Material</b>	<b><u>(563,321.29)</u></b>	<b><u>(6,700.34)</u></b>
<b>NOTE 21 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	15,873.00	18,877.00
Staff Welfare Expenses	75.73	50.59
<b>TOTAL Rs.</b>	<b><u>15,948.73</u></b>	<b><u>18,927.59</u></b>
<b>NOTE 22 : FINANCE COSTS</b>		
Interest Expenses	15,817.60	89,075.54
Other Finance cost	795.68	256.21
<b>TOTAL Rs.</b>	<b><u>16,613.29</u></b>	<b><u>89,331.75</u></b>

# SUNRAJ DIAMOND EXPORTS LTD.

Notes forming part of the financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>NOTE 23 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant & Equipments	584.53	376.95
<b>TOTAL Rs.</b>	<b>584.53</b>	<b>376.95</b>

## NOTE 24 : OTHER EXPENSES

Audit Fees	1,250.00	2,150.00
Commission	-	6,900.00
Labour Charges	46.04	-
Loss on sale of asset	-	495.43
Exchange gain difference	-	37,777.98
Legal & Professional Fees	5,085.23	4,309.77
Conveyance Expenses	320.86	373.78
Rent Charges	4,500.00	9,780.00
Repair and Maintenance	1,226.00	1,719.66
Telephone Expenses	147.48	85.58
Insurance Expense	324.82	355.68
Interest on Late payment	5.00	265.33
Penalties	9,075.85	198.00
Other Expenses	6,533.19	7,350.52
<b>TOTAL Rs.</b>	<b>28,514.47</b>	<b>71,761.73</b>

## Payment to Auditors

Audit Fee	1,250.00	2,150.00
<b>TOTAL Rs.</b>	<b>1,250.00</b>	<b>2,150.00</b>

## NOTE 25 : 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	-	6,962.62
<b>Total Current Tax Expenses</b>	<b>-</b>	<b>6,962.62</b>

#### Deferred Tax

Deferred Tax Charge/(credit)	1,398.86	143.19
<b>Total Deferred Tax Expenses</b>	<b>1,398.86</b>	<b>143.19</b>
<b>Total Income Tax Expenses</b>	<b>1,398.86</b>	<b>7,105.81</b>

**Notes forming part of the financial statements for the year ended 31st March 2022**  
**NOTE 26 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS**

**A. Financial instruments by category and their fair value** (Rs. In hundred)

As at 31st March 2022	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
<b>Financial assets</b>								
Other Financial Assets								
- Non current	-	-	2,175.00	2,175.00	-	-	-	-
Trade receivables	-	-	1,139,960.89	1,139,960.89	-	-	-	-
Cash and cash equivalents	-	-	24,006.86	24,006.86	-	-	-	-
Other Balance with Banks	-	-	6,671.57	6,671.57	-	-	-	-
Loans-Current	-	-	2,940.00	2,940.00	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,175,754.32</b>	<b>1,175,754.32</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowings								
- Non Current	-	-	475.23	475.23	-	-	-	-
- Current	-	-	1,694,749.91	1,694,749.91	-	-	-	-
Other financial liabilities								
- Current	-	-	7,916.77	7,916.77	-	-	-	-
Trade Payable	-	-	24,568.44	24,568.44	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1,727,710.35</b>	<b>1,727,710.35</b>	-	-	-	-
<b>As at 31 March 2021</b>								
<b>Financial assets</b>								
Other Financial Assets								
- Non current	-	-	4,698.00	4,698.00	-	-	-	-
Trade receivables	-	-	1,542,088.74	1,542,088.74	-	-	-	-
Cash and cash equivalents	-	-	5,406.02	5,406.02	-	-	-	-
Other Balance with Banks	-	-	13,003.06	13,003.06	-	-	-	-
Loans-Current	-	-	170.00	170.00	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,565,365.82</b>	<b>1,565,365.82</b>	-	-	-	-
<b>Financial liabilities</b>								
<b>Current</b>								
Borrowings								
- Non Current	-	-	2,652.55	2,652.55	-	-	-	-
- Current	-	-	1,398,574.02	1,398,574.02	-	-	-	-
Other financial liabilities								
- Current	-	-	17,149.14	17,149.14	-	-	-	-
Trade Payable	-	-	157,560.38	157,560.38	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1,575,936.09</b>	<b>1,575,936.09</b>	-	-	-	-

## SUNRAJ DIAMOND EXPORTS LTD.

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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 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 2022 and 31 March 2021.

### **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.

**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, 2022		As at March 31, 2021	
		Amount in Foreign Currency	(Rs. In hundred)	Amount in Foreign Currency	(Rs. In hundred)
Trade Receivable	USD	1,503,767	1,139,960.89	2,130,545	1,536,594.64
Trade Payable	USD	20,568	15,591.98	20,568	15,117.48

**(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, 2022		As at March 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	0.56	(0.56)	0.76	(0.76)

**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

## SUNRAJ DIAMOND EXPORTS LTD.

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

(Rs. In Hundred)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Disputed Trade receivables – considered good		
(ii) Disputed Trade Receivables – considered doubtful		
(iii) Undisputed Trade Receivables considered good		
Less than 6 months	249,949.80	307,044.06
6 months to 1 year	-	14.38
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	890,011.09	1,235,030.30
(iv) Undisputed Trade Receivables considered doubtful	-	-
<b>Total</b>	<b>1,139,960.89</b>	<b>1,542,088.74</b>

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.

**(Rs. In Hundred)**

<b>As on 31st March 2022</b>	<b>Less than 1 year</b>	<b>Between 1 to 5 Years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Borrowings				
- Non current	-	475.23	-	475.23
- Current	1,694,749.91	-	-	1,694,749.91
Trade payables	4,424.73	20,143.71	-	24,568.44
Other financial liabilities				
- Current	7,916.77	-	-	7,916.77
<b>Total</b>	<b>1,707,091.40</b>	<b>20,618.94</b>	<b>-</b>	<b>1,727,710.35</b>

**(Rs. In Hundred)**

<b>As on 31st March 2021</b>	<b>Less than 1 year</b>	<b>Between 1 to 5 Years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Borrowings				
Borrowings				
- Non current		2,652.55		2,652.55
- Current	1,398,574.02	-	-	1,398,574.02
Trade payables	20,916.97	136,643.41	-	157,560.38
Other financial liabilities				
- Current	17,149.14	-	-	17,149.14
<b>Total</b>	<b>1,436,640.13</b>	<b>139,295.96</b>	<b>-</b>	<b>1,575,936.09</b>

**NOTE 26A : 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.

## SUNRAJ DIAMOND EXPORTS LTD.

**NOTE 27 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2021-2022, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT.**

<b>PARTICULARS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>(i)</b> 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	- -	- -
<b>(ii)</b> 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	-	-
<b>(iii)</b> 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	-	-
<b>(iv)</b> The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
<b>(v)</b> 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: 28 Information on Related Party Transactions As Required By Ind As- 24 - ‘Related Party Disclosures’ For The Year Ended 31st March, 2022**

#### **(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
Prakash Mehta	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

**d) Relative of directors**

Sean Gandhi

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

(Rs. In hundred)

Nature of Transactions	Relationship	As At 31st March, 2022	As At 31st March, 2021
<b>(a) Remuneration</b> Sunny S. Gandhi	KMP	-	-
<b>(b) Interest Paid</b> K. D. Shah Investments Pvt Ltd	Enterprise	9,234.01	78,688.62
<b>(c) Loan Taken</b> Sunny S. Gandhi	KMP	1,474,145.42	157,901.15
<b>(d) Loan Repaid</b> Sunny S. Gandhi	KMP	600,650.00	80,728.68
K. D. Shah Investments Pvt Ltd	Enterprise	534,264.71	18,120.00
<b>(e) Amount Payable</b> <b>As Unsecured Loan</b> Sunny S. Gandhi	KMP	1,691,129.44	817,634.02
K. D. Shah Investments Pvt Ltd	Enterprise	-	525,030.70
<b>(f) As Investment</b> <b>As Equity Shares</b> Sunraj Diamond DMCC	Subsidiary Company	59,521.00	59,521.00
<b>(g) Commission</b> K. D. Shah Investments Pvt Ltd	Enterprise	-	690,000.00
<b>(h) Purchase of asset</b> K. D. Shah Investments Pvt Ltd	Enterprise	-	34,618.00
<b>(i) Rent Reimbursement</b> Sunraj Investment & Finance Pvt Ltd	Enterprise	70.80	-
<b>(j) Salary</b> Sean Gandhi	Relative Of Director	-	-

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

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTE 29 : EARNINGS PER SHARE

(Amount in Rupees)

PARTICULARS	As At 31st March, 2022	As At 31st March, 2021
<b>Earnings Per Share has been computed as under:</b>		
Profit after tax as per Statement of Profit and Loss	2,940,830	(13,101,907)
Weighted average number of equity shares outstanding	5,330,400	5,330,400
Basic and diluted earnings per share in rupees		
(Face Value – 10 per share)	0.55	(2.46)

## ANALYTICAL RATIOS

(Rs. In hundred)

Sr. no.	Particulars	Formula	For the year ended 31st Mar 2022		For the year ended 31st Mar 2021	
			Values	Ratio	Values	Ratio
1	Current Ratio	Current Assets	1,794,242.01	1.04	1,613,065.29	1.02
		Current liabilities	1,727,357.36		1,574,099.79	
Current assets and current liabilities include total current assets and current liabilities as appearing in the balance sheet.						
2	Debt to equity ratio	Total Debt	475.23	0.00	2,652.55	0.02
		Total Equity	140,187.46		110,779.16	
Total debt includes long-term borrowings whereas total equity includes shareholders' funds						
3	Debt service coverage ratio	Not applicable as there is no loan repayment commitment.				
4	Return on equity	Net Income	29,408.30	0.23	(131,019.07)	(0.74)
		Average Shareholder's Equity	125,483.31		176,288.70	
Net income is profit after tax whereas shareholders' equity is shareholders' fund.						
5	Inventory turnover ratio	COGS	407,752.26	1.29	86,615.19	2.89
		Average inventory	315,030.61		30,019.79	
COGS includes purchase cost, changes in inventory and other direct expenses. Average inventory is simple average of opening and closing inventory						
6	Trade receivables turnover ratio	Net credit sales	438,225.12	0.33	124,119.60	0.08
		Average debtors	1,341,024.82		1,572,887.62	
Net credit sales is total credit sales during the year. Average debtors is the simple average of opening and closing trade receivables						

7	Trade payables turnover ratio	Net credit purchase	955,124.83	10.49	74,387.94	0.40
		Average creditors	91,064.41		187,981.72	
Net credit purchase is total credit purchases during the year. Average creditors are the simple average of opening and closing trade payables						
8	Net capital turnover ratio	Net annual sales	438,225.12	8.28	124,119.60	1.17
		Average working capital	52,925.07		106,138.82	
Net credit sales is total credit sales during the year. Average working capital is the simple average of opening and closing working capital						
9	Net profit ratio	Profit after tax	29,408.30	0.07	(131,019.07)	(1.06)
		Total sales	438,225.12		124,119.60	
Profit after tax is total profit after tax and total sales is revenue from operations						
10	Return on capital employed	Earning before interest and taxes	47,420.44	0.03	(34,581.50)	(0.02)
		Capital employed	1,831,906.47		1,507,100.74	
		Earning before interest and taxes . Capital employed includes shareholders' fund, long term and short-term borrowings				
11	Return on investment	Profit after tax	29,408.30	0.02	(131,019.07)	(0.09)
		Capital employed	1,831,906.47		1,507,100.74	
Profit after tax is total profit after tax. Capital employed includes shareholders' fund, long term and short-term borrowings						

**NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. In hundred)

PARTICULARS	As At 31st March, 2022	As At 31st March, 2021
<b>a. Contingent Liabilities</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Income Tax matter in dispute under appeal	74,343.14	74,343.14
<b>TOTAL</b>	<b>74,343.14</b>	<b>74,343.14</b>

(Rs. In hundred)

PARTICULARS	As At 31st March, 2022	As At 31st March, 2021
<b>b. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **NOTE: 31 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: 32 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: 33 TITLE DEEDS OF IMMOVABLE PROPERTY**

All the title deeds of immovable property are held in the name of the company.

### **NOTE: 34 RELATIONSHIP WITH STRUCK OFF COMPANIES**

The Company has not dealt with any company whose balance if outstanding as on 31/03/2022, and whose name are struck off from registrar of Companies u/s 248 of the Companies Act 2013 or sec 560 of the Companies Act 1956.

### **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.

**STATEMENT OF DEPRECIATION U/S 32**

PARTICULARS	RATE OF DEPRECIATION	W .D. V. AS ON 1.4.21	Deduct-ions	ADDITIONS		DEPRECIATION	W.D.V. AS ON 31.03.2022
				BEFORE 30.09.2021	AFTER 30.09.2021		
		Rs.		Rs.	Rs.	Rs.	Rs.
Vehicles	15%	1,874,172	-	-	-	281,126	1,593,046
Furniture	10%	145,147	-	-	-	14,515	130,632
Office Equipments	10%	195,930	-	-	51,686	22,177	225,439
Computer	40%	18,172	-	165,136	165,000	106,323	241,985
<b>T O T A L</b>		<b>2,233,421</b>	<b>-</b>	<b>165,136</b>	<b>216,686</b>	<b>424,141</b>	<b>2,191,102</b>

**As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)**

**Sd/-**  
**Govind Prasad**  
**Partner**  
**Membership No-047948**  
**Date : 30th May 2022, Place: Mumbai**  
**UDIN: 22047948AJXANI3925**

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

<p><b>Sd/-</b> <b>Sunny Gandhi</b> <b>(Director)</b> <b>DIN-00695322</b></p> <p><b>Sd/-</b> <b>Anshul Garg</b> <b>(Company Secretary)</b> <b>Date : 30th May 2022, Place: Mumbai</b></p>	<p><b>Sd/-</b> <b>Shivil Kapoor</b> <b>(Independent Director)</b> <b>DIN-08616488</b></p> <p><b>Sd/-</b> <b>Prakash Mehta</b> <b>(Chief Financial Officer)</b></p>
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## Independent Auditor's Report

To the members of  
**Sunraj Diamond Exports Limited**

### I. Report on the audit of the consolidated financial statements

#### 1. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Sunraj Diamond Exports Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the basis for qualified opinion section of our report, 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, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

#### 2. Basis for Qualified Opinion

1. **As per the note no. 31: Employee Benefits, the company has not made the provision of employee cost with reference to the retirement benefits of the employees.**
2. **The company has delayed in transferring the amount to Investors Education Protection Fund Account as required by the section 125 of the Companies Act, 2013. Details of delay are available under II (1) (H) (iii) of this audit report.**

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

### **3. Other Matter**

We did not audit the financial information of the subsidiary company as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of 143(3) of the act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the auditors. Our opinion on the consolidated financial statements above and our report on the 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 reports of the other auditors

### **4. 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 not determined any key audit matters which needs specific mention.

### **5. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **6. Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, total 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated 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. The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **7. 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 skepticism throughout the audit. We also:

- i) 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.
- ii) 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 with reference to financial statements in place and the operating effectiveness of such controls
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- iv) 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

## SUNRAJ DIAMOND EXPORTS LTD.

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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 Company to cease to continue as a going concern

- v) 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

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- i) planning the scope of our audit work and in evaluating the results of our work; and
- ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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

## **II. Report on Other Legal and Regulatory Requirements**

- 1. As required by Section 143(3) of the Act, based on our audit we report that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
  - D. In our opinion, the aforesaid consolidated financial statements comply with the Ind

AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

- E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: 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 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 does not have pending litigations having impact on its financial position in its Consolidated Financial Statements
  - ii) The Company does not have any material foreseeable losses, if any, on long-term contracts including derivative contracts
  - iii) The company has delayed in transferring of dividend to Investor Education Protection Fund as under:

<b>Financial Year</b>	<b>Amount</b>	<b>Due date of payment</b>	<b>Date of payment</b>
2011-12	6,48,101	17 <sup>th</sup> October, 2019	8 <sup>th</sup> February 2022
2012-13	6,67,157	19 <sup>th</sup> October, 2021	Not yet transferred

2. Since, the report is on the consolidated financial statements, the report under the Companies (Auditor’s Report) Order, 2020 (“the Order”) is not required to be issued

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W  
Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN:22047948ANXXKN7547

Place : Mumbai  
Date : 30<sup>th</sup> July 2022

## ANNEXURE 'A' TO THE AUDITORS' REPORT

**The Annexure referred to in our report to the members of Sunraj Diamond Exports Limited for the year ended 31<sup>st</sup> March, 2022.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

**1. Property, Plant and Equipment:**

The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.

The Company is maintaining proper records showing full particulars of intangible assets.

As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

The Company is not having any immovable property hence the clause related to Title deed is not applicable.

The Company has not revalued its Property, Plant and Equipment (Including right of Use assets) or intangible assets or both during the year.

No proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.

**2. Inventory:**

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy of 10% or more in the aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.

During any point of time of the year, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets.

**3. Loans, Guarantee and Advances given:**

The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013

**4. Loans, Guarantee and Advances to Director of Company:**

During the year the company has not provided any loans, guarantees, advances and securities to the director of the company and the company is compliant provisions of section 185 and 186 of the Companies Act, 2013.

**5. Deposits:**

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**6. Maintenance of costing records:**

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

**7. Deposit of statutory liabilities:**

- The company is irregular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax have been deposited on time there is no dispute pending on the part of company, except for the dispute mentioned below.

<b>Statute of under which dispute is pending</b>	<b>Financial Year</b>	<b>Amount</b>	<b>Authority before which pending</b>
Income Tax Act 1961	2012-13	50,64,570	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	2013-14	23,69,640	Commissioner of Income Tax (Appeals)

**8. Surrendered or disclosed as income in the tax assessments:**

The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

**9. Default in repayment of borrowings:**

- a) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender.
- b) The company is not declared willful defaulter by any bank or financial institution or other lender
- c) The term loans were applied for the purpose for which the loans were obtained
- d) No funds raised on short term basis have been utilized for Long Term Purpose.

## **SUNRAJ DIAMOND EXPORTS LTD.**

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- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

### **10. Funds raised and utilisation:**

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

### **11. Fraud and whistle-blower complaints:**

According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

No Report under Sub section 12 of Section 143 of the Companies Act has been filed by the Auditors in the form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

No Whistle-blower complaints have been received during the year by the Company.

### **12. Nidhi Company:**

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

### **13. Related Party Transactions:**

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

### **14. Internal Audit:**

The company does not have internal audit system and the same clause is not commented.

### **15. Non Cash Transactions:**

The company has not entered into non-cash transactions with directors or persons connected with him.

### **16. Registration under RBI act:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

The Company has not conducted any Non-Banking Financial or Housing Finance activities hence the said clause is not applicable

The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence clause "C" and clause "D" are not applicable

**17. Cash Losses:**

The company has not incurred cash losses in the financial year but has incurred cash losses in immediately preceding financial year amounting to Rs. 123,53,630/-

**18. Resignation of Statutory Auditors:**

There has been no instance of any resignation of the statutory auditors occurred during the year.

**19. Material uncertainty on meeting liabilities:**

On the basis of financial Ratios, Aging and expected dates of Realisation of financial assets and payment of financial liabilities, other Information accompanying the financial statements, In our opinion, No material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date

**20. Transfer to fund specified under Schedule VII of Companies Act, 2013**

The same is not applicable to the company

**21. Qualifications or adverse auditor remark in other group companies**

This Clause is not applicable to the company

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W  
Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN:22047948ANXXKN7547

Place : Mumbai  
Date : 30<sup>th</sup> July 2022

# **SUNRAJ DIAMOND EXPORTS LTD.**

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## **ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **Sunraj Diamond Exports Limited**. ("The Company") as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Govind Prasad and Co.  
Chartered Accountants  
FRN: 114360W  
Sd/-  
CA Govind Prasad  
Partner  
M. No.: 047948  
UDIN:22047948ANXXKN7547

Place : Mumbai  
Date : 30<sup>th</sup> July 2022

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

(Rs. In hundred)

PARTICULARS	NOTES	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments	2	5,643.02	5,011.71
Intangible Assets	3	2,782.90	180.52
<b>Financial Assets</b>			
Investments	4	150.00	150.00
Other Financial Assets	5	2,175.00	4,698.00
Deferred Tax Assets (Net)	6	3,506.13	4,904.99
		<b>14,257.05</b>	<b>14,945.22</b>
<b>Current Assets</b>			
Inventories		596,691.25	33,369.96
<b>Financial Assets</b>			
Trade Receivables	7	1,139,960.89	1,542,088.74
Cash and Cash Equivalents	8A	24,006.86	7,930.89
Other Balance with Banks	8B	6,671.57	13,003.06
Loans	9	2,940.00	170.00
Other Current Assets	10	23,971.44	19,027.51
		<b>1,794,242.01</b>	<b>1,615,590.17</b>
<b>TOTAL ASSETS</b>		<b>1,808,499.06</b>	<b>1,630,535.39</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11A	533,040.00	533,040.00
Other Equity	11B	(457,888.37)	(532,894.81)
		<b>75,151.63</b>	<b>145.19</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	12	475.23	2,652.55
		<b>475.23</b>	<b>2,652.55</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	13	1,700,264.73	1,446,888.30
Trade Payables	14	24,568.44	159,772.14
Other Financial Liabilities	15	7,916.77	20,260.95
Other Current Liabilities	16	122.25	816.25
		<b>1,732,872.19</b>	<b>1,627,737.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,808,499.06</b>	<b>1,630,535.39</b>

Significant Accounting Policies and key accounting estimates and judgements  
Notes are an integral part of the financial statements

1

As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th July 2022, Place: Mumbai  
UDIN: 22047948ANXXKN7547

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

Sd/-  
Sunny Gandhi  
(Director)  
DIN-00695322

Sd/-  
Anshul Garg  
(Company Secretary)  
Date : 30th July 2022, Place: Mumbai

Sd/-  
Shivil Kapoor  
(Independent Director)  
DIN-08616488  
Sd/-  
Prakash Mehta  
(Chief Financial Officer)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

(Rs. In hundred)

PARTICULARS	NOTES	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>INCOME FROM OPERATIONS</b>			
Income from operations	17	438,225.12	124,119.60
Other Income	18	46,046.59	5,612.34
<b>TOTAL INCOME (I)</b>		<b>484,271.71</b>	<b>129,731.94</b>
<b>EXPENSES</b>			
Cost of Traded Goods	19	955,124.83	74,387.94
Manufacturing Expenses	25		
Change in Inventories of Finished Goods & Raw Material	20	(563,321.29)	(6,700.34)
Employee Benefit Expenses	21	15,948.73	18,927.59
Finance Cost	22	16,613.29	89,331.75
Depreciation and Amortisation Expense	23	584.53	376.95
Other Expenses	24	33,983.75	213,923.61
<b>TOTAL (II)</b>		<b>458,933.83</b>	<b>390,247.50</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>25,337.88</b>	<b>(260,515.55)</b>
Tax Expenses	25		
Current Tax		-	-
Deferred Tax		1,398.86	143.19
Tax in respect of earlier years			6,962.62
		<b>1,398.86</b>	<b>7,105.81</b>
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>23,939.02</b>	<b>(267,621.37)</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
Items that will not be reclassified to Statement of Profit and Loss		-	-
Items that will be reclassified to Statement of Profit and Loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>23,939.02</b>	<b>(267,621.37)</b>
Earnings per equity share (Face value of 10 each)	39		
1) Basic (in Rs.)		0.45	(5.02)
2) Diluted (in Rs.)		0.45	(5.02)
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 Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th July 2022, Place: Mumbai  
UDIN: 22047948ANXXKN7547**

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

Sd/-  
**Sunny Gandhi  
(Director)  
DIN-00695322**

Sd/-  
**Anshul Garg  
(Company Secretary)  
Date : 30th July 2022, Place: Mumbai**

Sd/-  
**Shivil Kapoor  
(Independent Director)  
DIN-08616488**  
Sd/-  
**Prakash Mehta  
(Chief Financial Officer)**

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before tax	25,337.88	(260,515.55)
Adjustment for :		
Depreciation and Amortisation & Exceptional items	584.53	376.95
Provision for doubtful debts		139,225.00
Loss on sale of asset	-	495.43
Exchange rate difference	(38,967.40)	37,777.98
Interest Received	(4.59)	(2,383.49)
Finance Costs	16,613.29	89,331.75
Net unrealised exchange (gain) / loss		
<b>Operating Profit before Working Capital Changes</b>	<b>3,563.70</b>	<b>4,308.06</b>
Adjustment for :		
(Increase) / Decrease in Trade Receivables	441,095.26	2,046.09
(Increase) / Decrease in Financial Assets	(247.00)	(640.00)
(Increase) / Decrease in Inventories	(563,321.29)	(6,700.34)
(Increase) / Decrease in Other assets	1,587.74	35,946.76
Increase / (Decrease) in Trade and other payables	(148,241.88)	(71,829.99)
Cash generated from Operations activities	<b>(265,563.48)</b>	<b>(36,869.41)</b>
Direct Taxes Paid (Net of Refund)	(200.17)	(1,891.61)
<b>Net Cash from Operating Activities (A)</b>	<b>(265,763.65)</b>	<b>(38,761.02)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant and equipment	(3,818.22)	(524.18)
Interest Received	4.59	-
Sale of Property, Plant and equipment	-	84.74
<b>Net Cash used in Investing Activities (B)</b>	<b>(3,813.63)</b>	<b>(439.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings (net of borrowings repaid)	251,199.11	130,371.20
Finance Cost	(16,613.29)	(89,331.75)
<b>Net Cash used in Financing Activities (C)</b>	<b>234,585.83</b>	<b>41,039.45</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>(34,991.46)</b>	<b>1,838.99</b>
Cash & Cash Equivalents at the beginning of the year	7,930.89	6,091.90
Unrealised Gain/(Loss) on foreign currency Cash and Cash Equivalents		
Cash & Cash Equivalents at the end of the year	<b>24,006.86</b>	<b>7,930.89</b>
(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) <b>PARTICULAR</b>	<b>As at</b>	<b>As at</b>
	<b>31st MARCH,2022</b>	<b>31st March,2021</b>
Cash and Cash Equivalents comprises of		
Balance with Banks:		
-Current Accounts	22,042.79	6,873.59
-Exchange Foreign Currency Account		
-FDRs	500.00	-
Cash on hand	1,464.06	1,057.30

As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th July 2022, Place: Mumbai  
UDIN: 22047948ANXXKN7547

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

Sd/-  
Sunny Gandhi  
(Director)  
DIN-00695322

Sd/-  
Anshul Garg  
(Company Secretary)  
Date : 30th July 2022, Place: Mumbai

Sd/-  
Shivil Kapoor  
(Independent Director)  
DIN-08616488  
Sd/-  
Prakash Mehta  
(Chief Financial Officer)

**Consolidated Statement of changes in equity for the year ended 31st March 2022**

**A : EQUITY SHARE CAPITAL**

(Rs. In hundred)

PARTICULARS	As at	As at
	31st March 2022	31st March 2021
Balance at the beginning of the Reporting period	533,040	533,040
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting period	<b>533,040</b>	<b>533,040</b>

**B : OTHER EQUITY**

(Rs. In hundred)

OTHER EQUITY	Reserves & Surplus			Total
	Capital Reserve	General Reserve	Retained Earning	
Balance as at 01st April 2020 (A)	5,980.00	5,697.18	(302,918.95)	(291,241.77)
Addition during the year:				
Profit/(Loss) for the period	-	-	(267,621.37)	(267,621.37)
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31st March 2021(B)</b>	<b>-</b>	<b>-</b>	<b>(267,621.37)</b>	<b>(267,621.37)</b>
Reductions during the year	-	-	-	-
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2021 (D)=(A+B+C)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(570,540.32)</b>	<b>(558,863.14)</b>
Addition during the year:				
Profit/(Loss) for the period	-	-	23,939.02	23,939.02
Items of OCI for the year, net of tax-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2022 (E)</b>	<b>-</b>	<b>-</b>	<b>23,939.02</b>	<b>23,939.02</b>
Reductions during the year	-	-	-	-
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2022 (G)=(D+E+F)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(546,601.30)</b>	<b>(534,924.12)</b>

As per our report of even date attached  
For Govind Prasad and Co.  
Chartered Accountants  
( Firm Reg. No. : 114360W)  
Sd/-  
Govind Prasad  
Partner  
Membership No-047948  
Date : 30th July 2022, Place: Mumbai  
UDIN: 22047948ANXXKN7547

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

Sd/-  
Sunny Gandhi  
(Director)  
DIN-00695322

Sd/-  
Anshul Garg  
(Company Secretary)  
Date : 30th July 2022, Place: Mumbai

Sd/-  
Shivil Kapoor  
(Independent Director)  
DIN-08616488  
Sd/-  
Prakash Mehta  
(Chief Financial Officer)

# SUNRAJ DIAMOND EXPORTS LTD.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

### 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.

## SUNRAJ DIAMOND EXPORTS LTD.

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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.

**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.

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

## SUNRAJ DIAMOND EXPORTS LTD.

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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.

**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.

## SUNRAJ DIAMOND EXPORTS LTD.

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**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.

**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 forming part of the consolidated financial statements for the year ended 31st March 2022

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(Rs. in Hundred)

Description	Computer	Furniture	Office Equipment	Vehicles	Total
Cost as at April 1,2021	3,911.03	9,507.26	9,007.34	65,082.41	<b>87,508.04</b>
Additions	381.36	-	516.86	-	<b>898.22</b>
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Cost as at March 31 ,2022</b>	<b>4,292.39</b>	<b>9,507.26</b>	<b>9,524.20</b>	<b>65,082.41</b>	<b>88,406.26</b>
Accumulated depreciation as at April 1, 2021	3,715.45	8,724.50	8,228.08	61,828.30	<b>82,496.33</b>
Depreciation for the period	90.57	61.48	114.86	-	<b>266.91</b>
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>3,806.02</b>	<b>8,785.98</b>	<b>8,342.94</b>	<b>61,828.30</b>	<b>82,763.24</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>486.37</b>	<b>721.28</b>	<b>1,181.26</b>	<b>3,254.11</b>	<b>5,643.02</b>

Description	Computer	Furniture	Office Equipment	Vehicles	Total
Cost as at April 1,2020	3,911.03	9,507.26	8,661.16	76,685.90	<b>98,765.35</b>
Additions	-	-	346.18	-	<b>346.18</b>
Disposals	-	-	-	11,603.49	<b>11,603.49</b>
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Cost as at March,31 ,2021</b>	<b>3,911.03</b>	<b>9,507.26</b>	<b>9,007.34</b>	<b>65,082.41</b>	<b>87,508.04</b>
Accumulated depreciation as at April 1, 2020	3,648.74	8,663.02	8,021.60	72,851.62	<b>93,184.98</b>
Depreciation for the period	66.71	61.48	206.48	-	<b>334.67</b>
Disposals	-	-	-	11,023.32	<b>11,023.32</b>
Acquisitions through business combinations	-	-	-	-	-
Amount of Change Due to revaluation	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>3,715.45</b>	<b>8,724.50</b>	<b>8,228.08</b>	<b>61,828.30</b>	<b>82,496.33</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>195.58</b>	<b>782.76</b>	<b>779.26</b>	<b>3,254.11</b>	<b>5,011.71</b>

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Notes forming part of the consolidated financial statements for the year ended 31st March 2022

## NOTE 3 : INTANGIBLE ASSETS

(Rs. in Hundred)

Description	Computer Software
Cost as at April 1,2021	1,073.85
Additions	2,920
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Cost as at March 31 ,2022</b>	<b>3,993.85</b>
Accumulated depreciation as at April 1, 2019	893.33
Depreciation for the period	317.62
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>1,210.95</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>2,782.90</b>

Description	Computer Software
Cost as at April 1,2020	895.85
Additions	178
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
<b>Cost as at March 31 ,2021</b>	<b>1,073.85</b>
Accumulated depreciation as at April 1, 2020	851.05
Depreciation for the period	42.28
Disposals	-
Acquisitions through business combinations	-
Amount of Change Due to revaluation	-
Accumulated depreciation as at March 31, 2021	893.33
<b>Net carrying amount as at March 31, 2021</b>	<b>180.52</b>

Notes forming part of the consolidated financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>NOTE 4 : NON CURRENT INVESTMENTS</b>		
<b>Non Current Investments</b>		
<b>Investments in Equity Instruments at Cost</b>		
<b>Unquoted Equity Shares</b>		
<u>Investment in Subsidiary</u>		
(100% Investments in Share Capital of Sunraj Diamond DMCC)		
<u>Investment in other company</u>		
150 equity shares of Rander Peoples' Co-op. Bank Limited of Rs 100 each fully paid (31st March,2020 - 150 shares)	150.00	150.00
<b>Total Investments in Unquoted Equity Shares</b>	<b>150.00</b>	<b>150.00</b>
Aggregate amount of Unquoted Investments -At Cost	<u>150.00</u>	<u>150.00</u>
Aggregate provision for diminution in value of investments	-	-
<b>NOTE 5 : OTHER FINANCIAL ASSETS</b>		
Security Deposits	2,175.00	4,698.00
<b>TOTAL Rs.</b>	<b><u>2,175.00</u></b>	<b><u>4,698.00</u></b>
<b>NOTE 6 : DEFERRED TAX ASSETS</b>		
<b>Deferred Tax Assets</b>		
Property, plant and equipment - difference between value of assets as per book base and tax base	3,506.13	4,904.99
<b>Total Deferred Tax Assets</b>	<b><u>3,506.13</u></b>	<b><u>4,904.99</u></b>
<b>NOTE 7 : TRADE RECEIVABLES *</b>		
(i) Disputed Trade receivables – considered good		
(ii) Disputed Trade Receivables – considered doubtful		
(iii) Undisputed Trade Receivables considered good		
Less than 6 months	<b>249,949.80</b>	<b>307,044.06</b>
6 months to 1 year	-	<b>14.38</b>
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	<b>890,011.09</b>	<b>1,235,030.30</b>
(iv) Undisputed Trade Receivables considered doubtful	-	-
	<u>1,139,960.89</u>	<u>1,542,088.74</u>
Less: Allowances for unsecured doubtful debts	-	-
<b>TOTAL Rs.</b>	<b><u>1,139,960.89</u></b>	<b><u>1,542,088.74</u></b>

# SUNRAJ DIAMOND EXPORTS LTD.

Notes forming part of the consolidated financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
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**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

## NOTE 8 : CASH AND BANK BALANCES \*

### (A) Cash and Cash Equivalents

(a) Balances with Banks		
(i) Current Accounts	22,042.79	6,873.59
(ii) FDRs	500.00	-
(b) Cash on hand	1,464.06	1,057.30
<b>TOTAL Rs.</b>	<b>24,006.86</b>	<b>7,930.89</b>

### (B) Other Balances with Banks

Unclaimed Dividend Accounts	6,671.57	13,003.06
<b>TOTAL Rs.</b>	<b>6,671.57</b>	<b>13,003.06</b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

## NOTE 9 : Loans\*

Loans to Employees	2,940.00	170.00
<b>TOTAL Rs.</b>	<b>2,940.00</b>	<b>170.00</b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

## NOTE 10 : OTHER CURRENT ASSETS

Prepaid Expenses	1,503.62	1,066.49
Balance with Statutory Authorities	22,397.02	17,961.02
Other assets	70.80	-
<b>TOTAL Rs.</b>	<b>23,971.44</b>	<b>19,027.51</b>

Notes forming part of the consolidated financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>NOTE 11A : EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
80,00,000 (P.Y. 80,00,00) Equity Shares of Rs. 10 each	800,000	800,000
	<b>800,000</b>	<b>800,000</b>
<b>Issued, Subscribed and Fully Paid up Capital</b>		
53,30,400 (P.Y. 53,30,400) Equity Shares of Rs. 10 each fully paid	533,040	533,040
	<b>533,040</b>	<b>533,040</b>

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

PARTICULARS	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	(Rs. In hundred)	No. of Shares	(Rs. In hundred)
At the beginning of the year	5,330,400	533,040	5,330,400	533,040
Add: Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>5,330,400</b>	<b>533,040</b>	<b>5,330,400</b>	<b>533,040</b>

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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 31st March 2022		As at 31st March 2021	
	No. of Shares	% held	Equity Shares	% held
<b>Equity Shares</b>				
Sunny Sunil Gandhi	1,387,721	26.03%	1,320,800	24.78%
Gunvanti Chandrakant Gandhi	375,000	7.04%	375,000	7.04%

Promoters shareholding for the year ended 31st March 2022

Name of the promoter	Shares held by promoters at the end of the year	% Change during the year	No of Shares	% of total shares
1) Sunny Sunil Gandhi	1,387,721	1.26%	1,387,721	26.03%
2) Sunil Chandrakant Gandhi	115,000	-	115,000	2.16%
3) Sean Sunil Gandhi	110,000	0.11%	110,000	2.06%
4) Gunvanti Chandrakant Gandhi	375,000	-	375,000	7.04%

Promoters shareholding for the year ended 31st March 2021

Name of the promoter	Shares held by promoters at the end of the year	% Change during the year	No of Shares	% of total shares
1) Sunny Sunil Gandhi	1,320,800	-	1,320,800	24.78%
2) Sunil Chandrakant Gandhi	115,000	-	115,000	2.16%
3) Sean Sunil Gandhi	104,205	-	104,205	1.95%
4) Gunvanti Chandrakant Gandhi	375,000	-	375,000	7.04%

# SUNRAJ DIAMOND EXPORTS LTD.

Notes forming part of the consolidated financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	As at		As at		
	31st March 2022		31st March 2021		
<b>NOTE 11B : OTHER EQUITY</b>					
<b>OTHER EQUITY</b>					
	<b>Reservs &amp; Surplus</b>			<b>Other</b>	<b>Total</b>
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earning</b>	<b>Comprehensive Income Exchange difference on translation of foreign operations</b>	
<b>Balance as at April 01, 2020 (A)</b>	5,980.00	5,697.18	(317,166.03)	42,598.90	(262,889.95)
<b>Addition during the year:</b>					
Profit for the period	-	-	(267,621.37)	-	(267,621.37)
Items of OCI for the year, net of tax-	-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2021 (B)</b>	-	-	<b>(267,621.37)</b>	-	<b>(267,621.37)</b>
Reductions during the year	-	-	-	(2,383.49)	(2,383.49)
<b>Total (C)</b>	-	-	-	-	<b>(2,383.49)</b>
<b>Balance as at 31st March 2021 (D)=(A+B+C)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(584,787.40)</b>	-	<b>(532,894.81)</b>
<b>Addition during the year:</b>					
Profit for the period	-	-	23,939.02	-	23,939.02
Items of OCI for the year, net of tax-	-	-	-	-	-
<b>Total Comprehensive Income for the period ended 31/03/2022 (E)</b>	-	-	<b>23,939.02</b>	-	<b>23,939.02</b>
Reductions during the year	-	-	51,067.42	-	51,067.42
<b>Total (F)</b>	-	-	51,067.42	-	51,067.42
<b>Balance as at 31st March 2022 (G)=(D+E+F)</b>	<b>5,980.00</b>	<b>5,697.18</b>	<b>(509,780.96)</b>	-	<b>(457,888.37)</b>

## NOTE 12 : NON CURRENT BORROWINGS \*

### Secured Loan

From Banks	475.23	<b>2,652.55</b>
(Secured against Car)		
<b>TOTAL Rs.</b>	<b>475.23</b>	<b>2,652.55</b>

## NOTE 13 : CURRENT BORROWINGS \*

### A: Current maturities of long term borrowings

* Refer note 27 - Financial instruments, fair values and risk measurement	3,620.47	3,111.81
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### Note:

**13.1** Vehicle Loan, balance outstanding amounting to Rs. 4.09 Lacs (P.Y. Rs .5.76 Lacs) is secured by Hire Purchase agreement for vehicles and repayable in 38 monthly installments. Last installment due in April, 2023.

**13.2** Installments falling due in respect of all the above Loans up to 31/03/2023 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.

**Notes forming part of the consolidated financial statements for the year ended 31st March 2022**

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>B: Unsecured Loan</b>		
From Directors	1,696,644.26	1,394,090.80
Inter Corporate Loans	-	52,797.50
<b>TOTAL Rs.</b>	<b><u>1,700,264.73</u></b>	<b><u>1,446,888.30</u></b>

**NOTE 14 : TRADE PAYABLES \***

(i) MSME- Disputable (Refer Note 27)	-	-
(ii) Trade Payable for Goods Others- Disputable	-	-
(iii) Undisputed dues – MSME	-	-
(iv) Undisputed dues – Others		
Less than 1year	4,424.73	20,916.97
1-2years	59.00	8,957.82
2-3years	3,830.20	112,367.80
More than 3 years	16,254.51	17,529.55
<b>TOTAL Rs.</b>	<b><u>24,568.44</u></b>	<b><u>159,772.14</u></b>

\* Refer note 27 - Financial instruments, fair values and risk measurement

**NOTE 15 : OTHER FINANCIAL LIABILITIES**

Provision for Employee Benefits	1,190.00	2,323.00
Unclaimed Dividend*	6,671.57	13,003.06
Provision for expenses	55.20	1,323.08
Security Deposit	-	500.00
<b>TOTAL Rs.</b>	<b><u>7,916.77</u></b>	<b><u>20,260.95</u></b>

\* There is an amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2022 for the Financial year 2012-13 of Rs. RS.6,67,157.

**NOTE 16 : OTHER CURRENT LIABILITIES**

Statutory liabilities	122.25	816.25
<b>TOTAL Rs.</b>	<b><u>122.25</u></b>	<b><u>816.25</u></b>

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Notes forming part of the consolidated financial statements for the year ended 31st March 2022

(Rs. In hundred)

PARTICULARS	Year ended 31st March 2022	Year ended 31st March 2021
<b>NOTE 17 : INCOME FROM OPERATIONS</b>		
Sale of Products	438,225.12	73,676.72
Sale of services	-	50,442.88
<b>TOTAL Rs.</b>	<b><u>438,225.12</u></b>	<b><u>124,119.60</u></b>
<b>NOTE 18 : OTHER INCOME</b>		
Net Gain on Foreign Exchange Fluctuation	38,967.40	-
Discount Received	51.30	52.76
Other Income	7,023.30	5,559.58
Interest on FD	4.59	-
<b>TOTAL Rs.</b>	<b><u>46,046.59</u></b>	<b><u>5,612.34</u></b>
<b>NOTE 19 : COST OF TRADED GOODS</b>		
Purchase of Stock in Trade	955,124.83	74,387.94
<b>TOTAL Rs.</b>	<b><u>955,124.83</u></b>	<b><u>74,387.94</u></b>
<b>NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; RAW MATERIAL</b>		
Inventories at the end of the year		
Finished Goods	596,691.25	33,369.96
Raw Material	-	-
	<b><u>596,691.25</u></b>	<b><u>33,369.96</u></b>
Inventories at the beginning of the year		
Finished Goods	33,369.96	26,289.46
Raw Material	-	380.16
<b>Changes In Inventories of Finished Goods &amp; Raw Material</b>	<b><u>(563,321.29)</u></b>	<b><u>(6,700.34)</u></b>
<b>NOTE 21 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	15,873.00	18,877.00
Staff Welfare Expenses	75.73	50.59
<b>TOTAL Rs.</b>	<b><u>15,948.73</u></b>	<b><u>18,927.59</u></b>
<b>NOTE 22 : FINANCE COSTS</b>		
Interest Expenses	15,817.60	89,075.54
Other Finance cost	795.68	256.21
<b>TOTAL Rs.</b>	<b><u>16,613.29</u></b>	<b><u>89,331.75</u></b>

**Notes forming part of the consolidated financial statements for the year ended 31st March 2022**

(Rs. In hundred)

PARTICULARS	As at 31st March 2022	As at 31st March 2021
<b>NOTE 23 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant & Equipments	584.53	376.95
<b>TOTAL Rs.</b>	<b>584.53</b>	<b>376.95</b>
<b>NOTE 24 : OTHER EXPENSES</b>		
Audit Fees	1,250.00	2,150.00
Commission	-	6,900.00
Labour Charges	46.04	-
Loss on sale of asset	-	495.43
Exchange gain difference	-	37,777.98
Legal & Professional Fees	5,085.23	4,309.77
Conveyance Expenses	320.86	373.78
Rent Charges	4,500.00	9,780.00
Repair and Maintenance	1,226.00	1,719.66
Telephone Expenses	147.48	85.58
Insurance Expense	324.82	355.68
Interest on Late payment	5.00	265.33
Penalties	9,075.85	198.00
Other Expenses	12,002.47	10,287.40
Provision for Doubtful Debt		139,225.00
<b>TOTAL Rs.</b>	<b>33,983.75</b>	<b>213,923.61</b>
<b>Payment to Auditors</b>		
Audit Fee	1,250.00	2,150.00
<b>TOTAL Rs.</b>	<b>1,250.00</b>	<b>2,150.00</b>
<b>NOTE 25 : INCOME TAX EXPENSES</b>		
<b>Tax Expense recognised in the Statement of Profit &amp; Loss</b>		
<b>Current Tax</b>		
Current tax on taxable income for the year	-	-
Adjustments for the current tax of prior periods	-	6,962.62
<b>Total Current Tax Expenses</b>	<b>-</b>	<b>6,962.62</b>
<b>Deferred Tax</b>		
Deferred Tax Charge/(credit)	1,398.86	143.19
<b>Total Deferred Tax Expenses</b>	<b>1,398.86</b>	<b>143.19</b>
<b>Total Income Tax Expenses</b>	<b>1,398.86</b>	<b>7,105.81</b>

**Notes forming part of the consolidated financial statements for the year ended 31st March 2022**

**NOTE 26 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS**

**A. Financial instruments by category and their fair value (Rs. In hundred)**

As at 31st March 2022	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amotised Cost		Level 1 Quoted price in active markets	Level 2 Significant observable - inputs	Level 3 Significant unobservable - inputs	
<b>Financial assets</b>								
Other Financial Assets								
- Non current	-	-	2,175.00	2,175.00	-	-	-	-
Trade receivables	-	-	1,139,960.89	1,139,960.89	-	-	-	-
Cash and cash equivalents	-	-	24,006.86	24,006.86	-	-	-	-
Other Balance with Banks	-	-	6,671.57	6,671.57	-	-	-	-
Loans-Current	-	-	2,940.00	2,940.00	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,175,754.32</b>	<b>1,175,754.32</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowings								
- Non Current	-	-	475.23	475.23	-	-	-	-
- Current	-	-	1,700,264.73	1,700,264.73	-	-	-	-
Other financial liabilities								
- Current	-	-	7,916.77	7,916.77	-	-	-	-
Trade Payable	-	-	24,568.44	24,568.44	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1,733,225.17</b>	<b>1,733,225.17</b>	-	-	-	-
<b>As at 31 March 2021</b>								
<b>Financial assets</b>								
Other Financial Assets								
- Non current	-	-	4,698.00	4,698.00	-	-	-	-
Trade receivables	-	-	1,542,088.74	1,542,088.74	-	-	-	-
Cash and cash equivalents	-	-	7,930.89	7,930.89	-	-	-	-
Other Balance with Banks	-	-	13,003.06	13,003.06	-	-	-	-
Loans-Current	-	-	170.00	170.00	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,567,890.70</b>	<b>1,567,890.70</b>	-	-	-	-
<b>Financial liabilities</b>								
<b>Current</b>								
Borrowings								
- Non Current	-	-	2,652.55	2,652.55	-	-	-	-
- Current	-	-	1,446,888.30	1,446,888.30	-	-	-	-
Other financial liabilities								
- Current	-	-	20,260.95	20,260.95	-	-	-	-
Trade Payable	-	-	159,772.14	159,772.14	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>1,629,573.94</b>	<b>1,629,573.94</b>	-	-	-	-

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 2022 and 31 March 2021.

**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.

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## 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.

## 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, 2022		As at March 31, 2021	
		Amount in Foreign Currency	(Rs. In hundred)	Amount in Foreign Currency	(Rs. In hundred)
Trade Receivable	USD	1,503,767	1,139,960.89	2,130,545	1,536,594.64
Trade Payable	USD	20,568	15,591.98	20,568	15,117.48

## (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, 2022		As at March 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	56.22%	-56.22%	76.07%	-76.07%

## 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**

**(Rs. In Hundred)**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
(i) Disputed Trade receivables – considered good		
(ii) Disputed Trade Receivables – considered doubtful		
(iii) Undisputed Trade Receivables considered good		
Less than 6 months	249,949.80	307,044.06
6 months to 1 year	-	14.38
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	890,011.09	1,235,030.30
(iv) Undisputed Trade Receivables considered doubtful	-	-
<b>Total</b>	<b>1,139,960.89</b>	<b>1,542,088.74</b>

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.

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

(Rs. In Hundred)

As on 31st March 2022	Less than 1 year	Between 1 to 5 Years	Beyond 5 years	Total
Borrowings				
- Non current	-	475.23		475.23
- Current	1,700,264.73	-	-	1,700,264.73
Trade payables	4,424.73	20,143.71	-	24,568.44
Other financial liabilities				
- Current	7,916.77	-	-	7,916.77
<b>Total</b>	<b>1,712,606.23</b>	<b>20,618.94</b>	<b>-</b>	<b>1,733,225.17</b>

(Rs. In Hundred)

As on 31st March 2021	Less than 1 year	Between 1 to 5 Years	Beyond 5 years	Total
Borrowings				
- Non current		2,652.55		2,652.55
- Current	1,446,888.30	-	-	1,446,888.30
Trade payables	20,916.97	138,855.17	-	159,772.14
Other financial liabilities				
- Current	20,260.95	-	-	20,260.95
<b>Total</b>	<b>1,488,066.22</b>	<b>141,507.72</b>	<b>-</b>	<b>1,629,573.94</b>

### NOTE 26A : 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 27 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2021-2022, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT.**

<b>PARTICULARS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>(i)</b> 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	- -	- -
<b>(ii)</b> 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	-	-
<b>(iii)</b> 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	-	-
<b>(iv)</b> The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
<b>(v)</b> 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: 28 Information on Related Party Transactions As Required By Ind As- 24 - ‘Related Party Disclosures’ For The Year Ended 31st March, 2022**

**(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
Prakash Mehta	Chief Financial Officer

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**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

**d) Relative of directors**

Sean Gandhi

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

(Rs. In hundred)

Nature of Transactions	Relationship	As At 31st March, 2022	As At 31st March, 2021
<b>(a) Remuneration</b> Sunny S. Gandhi	KMP	-	-
<b>(b) Interest Paid</b> K. D. Shah Investments Pvt Ltd	Enterprise	9,234.01	78,688.62
<b>(c) Loan Taken</b> Sunny S. Gandhi	KMP	1,474,145.42	157,901.15
<b>(d) Loan Repaid</b> Sunny S. Gandhi	KMP	600,650.00	80,728.68
K. D. Shah Investments Pvt Ltd	Enterprise	534,264.71	18,120.00
<b>(e) Amount Payable As Unsecured Loan</b> Sunny S. Gandhi	KMP	1,691,129.44	817,634.02
K. D. Shah Investments Pvt Ltd	Enterprise	-	524,622.20
<b>(f) As Investment As Equity Shares</b> Sunraj Diamond DMCC	Subsidiary Company	59,521.00	
<b>(g) Commission</b> K. D. Shah Investments Pvt Ltd	Enterprise	-	6,900.00
<b>(h) Purchase of asset</b> K. D. Shah Investments Pvt Ltd	Enterprise	-	346.18
<b>(i) Rent Reimbursement</b> Sunraj Investment & Finance Pvt Ltd	Enterprise	70.80	-
<b>(j) Salary</b> Sean Gandhi	Relative Of Director	-	-

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 29 : EARNINGS PER SHARE**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As At 31st March, 2022</b>	<b>As At 31st March, 2021</b>
<b>Earnings Per Share has been computed as under:</b>		
Profit after tax as per Statement of Profit and Loss	2,393,902	(26,762,136)
Weighted average number of equity shares outstanding	5,330,400	5,330,400
Basic and diluted earnings per share in rupees (Face Value – 10 per share)	0.45	(5.02)

**ANALYTICAL RATIOS**

(Rs. In hundred)

<b>Sr. no.</b>	<b>Particulars</b>	<b>Formula</b>	<b>For the year ended 31st Mar 2022</b>		<b>For the year ended 31st Mar 2021</b>	
			<b>Values</b>	<b>Ratio</b>	<b>Values</b>	<b>Ratio</b>
1	Current Ratio	Current Assets	1,794,242.01	1.04	1,615,590.17	0.99
		Current liabilities	1,732,872.19		1,627,737.64	
Current assets and current liabilities include total current assets and current liabilities as appearing in the balance sheet.						
2	Debt to equity ratio	Total Debt	475.23	0.01	2,652.55	18.27
		Total Equity	75,151.63		145.19	
Total debt includes long-term borrowings whereas total equity includes shareholders' funds						
3	Debt service coverage ratio	Not applicable as there is no loan repayment commitment.				
4	Return on equity	Net Income	23,939.02	0.64	(267,621.37)	(2.21)
		Average Shareholder's Equity	37,648.41		120,971.71	
Net income is profit after tax whereas shareholders' equity is shareholders' fund.						
5	Inventory turnover ratio	COGS	407,752.26	1.29	86,615.19	2.89
		Average inventory	315,030.61		30,019.79	
COGS includes purchase cost, changes in inventory and other direct expenses. Average inventory is simple average of opening and closing inventory						
6	Trade receivables turnover ratio	Net credit sales	438,225.12	0.33	124,119.60	0.08
		Average debtors	1,341,024.82		1,572,887.62	
Net credit sales is total credit sales during the year. Average debtors is the simple average of opening and closing trade receivables						

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7	Trade payables turnover ratio	Net credit purchase	955,124.83	10.36	74,387.94	0.39
		Average creditors	92,170.29		189,087.60	
Net credit purchase is total credit purchases during the year. Average creditors are the simple average of opening and closing trade payables						
8	Net capital turnover ratio	Net annual sales	438,225.12	17.81	124,119.60	1.54
		Average working capital	24,611.17		80,582.33	
Net credit sales is total credit sales during the year. Average working capital is the simple average of opening and closing working capital						
9	Net profit ratio	Profit after tax	23,939.02	0.05	(267,621.37)	(2.16)
		Total sales	438,225.12		124,119.60	
Profit after tax is total profit after tax and total sales is revenue from operations						
10	Return on capital employed	Earning before interest and taxes	41,951.16	0.02	(171,183.80)	(0.12)
		Capital employed	1,772,385.47		1,444,781.05	
		Earning before interest and taxes. Capital employed includes shareholders' fund, long term and short-term borrowings				
11	Return on investment	Profit after tax	23,939.02	0.01	(267,621.37)	(0.19)
		Capital employed	1,772,385.47		1,444,781.05	
Profit after tax is total profit after tax. Capital employed includes shareholders' fund, long term and short-term borrowings						

### NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. In hundred)

PARTICULARS	As At 31st March, 2022	As At 31st March, 2021
<b>a. Contingent Liabilities</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Income Tax matter in dispute under appeal	74,343.14	74,343.14
<b>TOTAL</b>	<b>74,343.14</b>	<b>74,343.14</b>

(Rs. In hundred)

PARTICULARS	As At 31st March, 2022	As At 31st March, 2021
<b>b. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE: 31 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: 32 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: 33 TITLE DEEDS OF IMMOVABLE PROPERTY**

All the title deeds of immovable property are held in the name of the company.

**NOTE: 34 Group information**

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

Name of the Entities	Net Assets i.e. total		Share in Profit / (Loss)		Share in Total	
	As % of consolidated	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated	Amount (Rs. in Lakhs)
<b>Parent Company</b>						
Sunraj Diamonds Exports Limited	73853.33%	110.78	122.85%	294.08	122.85%	294.08
<b>Subsidiary Company</b>						
Sunraj Diamonds DMCC, Dubai	-73753.33%	-110.63	-0.23%	(0.55)	-0.23%	(0.55)
Inter-company eliminations & Consolidation adjustments	0.00%	0.00	0.00%	0.00	0.00%	0.00
<b>Total</b>	<b>100.00%</b>	<b>0.15</b>	<b>122.62%</b>	<b>239.39</b>	<b>122.62%</b>	<b>293.54</b>

**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.

## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **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.

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**As per our report of even date attached  
For Govind Prasad and Co.**

**Chartered Accountants**

**( Firm Reg. No. : 114360W)**

**Sd/-**

**Govind Prasad**

**Partner**

**Membership No-047948**

**Date : 30th July 2022, Place: Mumbai**

**UDIN: 22047948ANXXKN7547**

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

**Sd/-**

**Sunny Gandhi**

**(Director)**

**DIN-00695322**

**Sd/-**

**Anshul Garg**

**(Company Secretary)**

**Date : 30th July 2022, Place: Mumbai**

**Sd/-**

**Shivil Kapoor**

**(Independent Director)**

**DIN-08616488**

**Sd/-**

**Prakash Mehta**

**(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.