

SAGAR DIAMONDS™

E: accounts@sagardiamonds.com

W: www.sagardiamonds.com

Registered Office:

Plot No. 266 B, Sez Diamond

Park, Sachin, Surat (Guj.)

PIN - 394230.

GSTIN : 24AAWCS0068B1ZE

L36912GJ2015PLC083846

Corporate Office:

Embassy Center Building,

Off. No. 903, 9th Flr., Next to Status Hotel,

Nariman Point, Mumbai 400021

T: +91 22 3563 3509 / 4976 4730

Date: 24.05.2022

To,
BSE Limited
Corporate Service Department
P.J.Towers,
Dalal Street,
Mumbai- 400 001

Sub: Outcome of Board Meeting
Scrip Code- 540715

Dear Sir,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held on today i.e. 24th May, 2022 have approved and taken on record the following items:

1. Audited Financial Results:

- Financial Results for the half year and year ended on 31st March, 2022
- Auditors Report on Audited Financial Results for the half year and year ended on 31st March, 2022 along with statement on impact of audit qualifications.

The above said meeting commenced at 4:00 P.M. and concluded at 5.00 P.M

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For Sagar Diamonds Limited

Managing Director
DIN: 03302936



INDEPENDENT AUDITOR'S REPORT

The board of directors of
SAGAR DIAMONDS LIMITED

Report on the audit of the annual financial results

Qualified Opinion

We have audited the accompanying statement of year to date annual financial results of **SAGAR DIAMONDS LIMITED** (the "Company"), for the year ended March 31, 2022 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid annual financial results:

- is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other financial information of the Company for the year ended March 31, 2022.

Basis for Qualified Opinion

We draw attention to note 2 of the Statement, regarding the Management's contention about the recoverability of the Trade Receivables mentioned therein. We have not been able to substantiate the Management's contention regarding the carrying value of Trade Receivables aggregating to INR 3,58,389.38 lakh. Accordingly, we are unable to comment on the appropriateness of the carrying value of such Trade Receivables and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31, 2022.

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the annual financial results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the Audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 3 of the Statement which describes the Management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Management and Board of Director's Responsibilities for the financial results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view

A



of the net profit of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement, that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the financial results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design and it 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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.

B



- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The Statement includes the results for the half year ended March 31, 2022 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2022 and the published unaudited year to date figures up to the first half of the current financial year, which were subjected to a limited review, as required under the Listing Regulations.

Place: Surat
Date: May 24, 2022



For G B & Co.,
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No. : 139110W

A handwritten signature in black ink, appearing to read "Gopal S. Baldi".

Gopal S. Baldi
Partner
Membership No. : 125930
UDIN: 22125930AJMAOK2649



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STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2022

(Rs. In Lakh)

Sr. No	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
		Audited	Audited
I	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
	(a) Share Capital	1,264.38	1,264.38
	(b) Reserve & Surplus	7,736.99	4,829.31
	Sub Total Shareholder's Fund	9,001.37	6,093.69
2	Non - Current Liabilities		
	(a) Long-Term Borrowings	84.49	439.80
	(b) Deferred Tax Liabilities (Net)	-	27.67
	(c) Long-Term provisions	6.19	-
	Sub Total Non-Current Liabilities	90.68	467.47
3	Current Liabilities		
	(a) Short-term borrowings	154.94	65.99
	(b) Trade Payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,13,333.50	1,11,344.96
	(c) Other Current Liabilities	6,09,149.96	4,26,766.61
	(d) Short - Term Provisions	0.31	232.34
	Sub Total Current Liabilities	8,22,638.71	5,38,409.90
	TOTAL EQUITY & LIABILITIES	8,31,730.76	5,44,971.06
II	ASSETS		
1	Non - Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	769.64	589.82
	(ii) Intangible Assets	-	-
	(iii) Capital Work-in-progress	-	-
	(b) Deferred Tax assets(net)	2.32	-
	(c) Long term Loans & Advances	26.22	21.22
	(d) Other non-current assets	-	-
	Sub Total Non - Current Assets	798.18	611.04
2	Current Assets		
	(a) Current Investments	-	-
	(b) Inventories	68,155.26	30,485.62
	(c) Trade Receivables	7,57,809.79	3,78,643.43
	(d) Cash and Cash Equivalents	1,320.93	749.13
	(e) Short - Term Loans and Advances	3,646.60	1,34,481.84
	Sub Total Current Assets	8,30,932.58	5,44,360.02
	TOTAL ASSETS	8,31,730.76	5,44,971.06





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STATEMENT OF AUDITED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR / YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakh)

Sr. No	Particulars	Half Year ended at			For the year ended at	
		31.03.2022	30.09.2021	31.03.2021	31.03.2022	31.03.2021
		Unaudited Refer note 6	Unaudited Refer note 6	Unaudited Refer note 6	Audited	Audited
I	Revenue from Operations	3,17,080.29	3,08,663.18	1,99,165.51	6,25,743.47	2,83,518.79
II	Other Incomes	12,878.75	10,422.76	20.40	23,301.51	20.42
III	Total Income (I+II)	3,29,959.04	3,19,085.94	1,99,185.91	6,49,044.98	2,83,539.21
IV	Expenses					
	(a) Cost of Material Consumed	2,66,593.92	1,81,581.65	1,03,893.23	4,48,175.57	1,74,668.65
	(b) Purchase of stock traded	63,200.63	1,35,433.49	93,827.35	1,98,634.12	1,04,268.80
	(c) Changes in inventories of Finished goods, Work-in-progress	(2,148.57)	(1.26)	658.31	(2,149.83)	-
	(d) Employee benefits expense	123.31	93.37	106.78	216.68	179.21
	(e) Finance Costs	51.11	36.05	50.43	87.16	77.00
	(f) Depreciation expense	47.24	23.40	13.88	70.64	24.96
	(g) Other expenses	358.05	151.12	(296.85)	509.17	3,216.82
	Total Expenses (IV)	3,28,225.69	3,17,317.82	1,98,253.13	6,45,543.51	2,82,435.44
V	Profit from operations before exceptional items and tax (III-IV)	1,733.35	1,768.12	932.78	3,501.47	1,103.77
VI	Exceptional and Extraordinary Items	-	-	-	-	-
VII	Profit before tax (V-VI)	1,733.35	1,768.12	932.78	3,501.47	1,103.77
VIII	Tax Expense					
	1. Current Tax	356.47	267.31	174.79	623.78	207.34
	2. Deferred Tax	(0.88)	(29.11)	10.59	(29.99)	10.59
	3. Income tax expense of previous year	-	-	-	-	-
IX	Profit for the period from continuing operations (VII-VIII)	1,377.76	1,529.92	747.40	2,907.68	885.84
X	Profit from discontinued operations	-	-	-	-	-
XI	Tax expense from discontinued operations	-	-	-	-	-
XII	Profit from discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII	Profit for the period	1,377.76	1,529.92	747.40	2,907.68	885.84
	Earnings per share (in Rs.)	10.90	12.10	6.90	23.00	7.01
	(a) Basic	10.90	12.10	6.90	23.00	7.01
	(b) Diluted					





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Audited Cash Flow Statement for the year ended 31st March, 2022

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax from continued operations	3,501.48	1,103.78
Adjustment for non-cash / non-operational expenses:		
Depreciation Expenses	70.64	24.96
Interest Income	(42.17)	(20.42)
Finance Costs	87.16	77.00
Discount / ERF on Export Bill	-	(26,009.41)
Operation profit before working capital changes	3,617.11	(24,824.09)
Adjustment for working capital changes:		
Increase/(Decrease) in long term provision	6.19	-
Increase/(Decrease) in Trade payables	1,01,988.54	78,079.54
Increase/(Decrease) in Other current liabilities	1,82,383.35	4,22,939.96
(Increase)/Decrease in long term advances	(4.99)	-
(Increase)/Decrease in Other non-current assets	-	-
(Increase)/Decrease in Trade receivables	(3,79,166.37)	(3,45,721.96)
(Increase)/Decrease in Inventories	(37,669.65)	(10.28)
(Increase)/Decrease in Other current assets	1,30,835.24	(1,30,593.27)
Cash Generated from operations	(1,627.69)	24,693.99
Income Tax Paid	615.63	(52.54)
Net Cash Flow from operating activities	1,373.79	(77.56)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including work in progress (net of sales proceeds)	(390.47)	173.22
Interest Received	42.17	20.42
Sale of Investments	-	703.53
Net Cash Flow from Investment activities	(348.30)	897.17
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	63.61
Repayment of borrowings	(355.32)	(70.59)
Interest paid	(87.16)	(87.22)
Net Cash Flow from Financing activities	(442.48)	(94.20)
Net increase (decrease) in Cash & Cash Equivalent	583.01	725.41
Opening Balance of Cash & Cash Equivalent	737.92	12.51
Closing Balance of Cash & Cash Equivalent	1,320.93	737.92





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Notes:

1	The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on May 24, 2022.
2	Unsecured Trade receivables includes Rs. 3,58,389.38 Lakh outstanding beyond one year, which are being pursued for recovery by the Company. In the opinion of the Management, no allowance/ provision are required for above receivables and they are considered good and fully recoverable. Statutory auditor review report has been modified in respect of this matter.
3	Due to ongoing COVID-19 pandemic, the Company has made assessment of recoverability of the Company's assets such as Trade receivables, loans and advances and Inventories, the Company has considered internal and external information up to the date of approval of these financial results. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
4	The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.
5	Segment reporting is not applicable as company only operate under one segment i.e. business of Diamond Jewellery and Precious Metals. Hence segment reporting is not given.
6	The figures for the half year ended March 31, 2022 and half year ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021 respectively and published year to date figures up to half year ended September 30, 2021 and September 30, 2020 respectively which were subjected to limited review.
7	Previous period figures have been regrouped/reclassified, wherever necessary, to confirm to current period's classification.
8	Except financial information for the year 2021-22, other financial information was reviewed / audited by other firm of chartered accountants appointed at that period.

Date: May 24, 2022.

Place: Surat

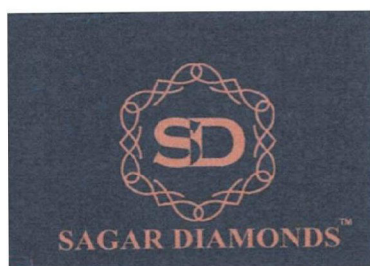


For SAGAR DIAMONDS LIMITED

[VAIBHAV DIPAK SHAH]

[DIN:03302936]

CFO & MANAGING DIRECTOR

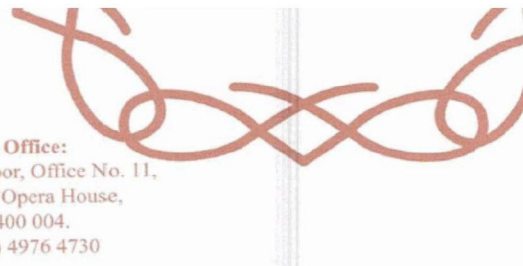


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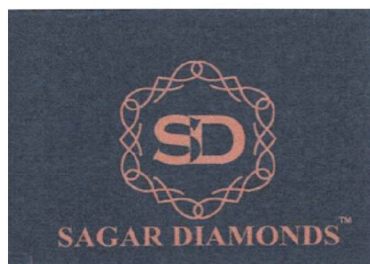
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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Rs. in Lakh

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Audited Figures (as reported after adjusting for qualification)
	1	Turnover/ Total Income	6,49,044.98	Not Ascertainable [Refer note II(E)(ii)]
	2	Total Expenditure	6,46,137.30	Not Ascertainable [Refer note II(E)(ii)]
	3	Net Profit/ (Loss)	2,907.68	Not Ascertainable [Refer note II(E)(ii)]
	4	Earnings per Share (In Rs.)	23.00	Not Ascertainable [Refer note II(E)(ii)]
	5	Total Assets	8,31,730.76	Not Ascertainable [Refer note II(E)(ii)]
	6	Total Liabilities	8,22,729.39	Not Ascertainable [Refer note II(E)(ii)]
	7	Net Worth	9,001.37	Not Ascertainable [Refer note II(E)(ii)]
	8	Any other financial item(s) (as felt appropriate by Management)	-	-
II				
Audit Qualification (each Audit Qualification separately)				
	A	Details of Audit Qualification:	<p>Qualified Opinion</p> <p>We have audited the accompanying statement of year to date annual financial results of SAGAR DIAMONDS LIMITED (the "Company"), for the year ended March 31, 2022 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid annual financial results:</p> <p>Is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income, and other financial information of the Company for the year ended March 31, 2022.</p> <p>Basis for Qualified Opinion</p> <p>We draw attention to Note 5 of the Statement, regarding the Management's contention about the recoverability of the Trade Receivables mentioned therein. We have not been able to substantiate the Management's contention regarding the carrying</p>	

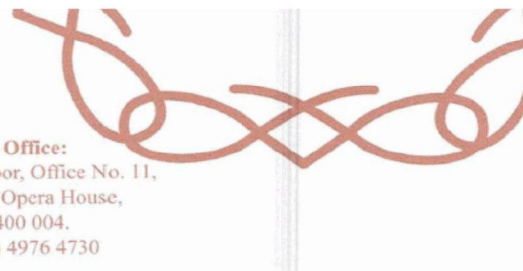


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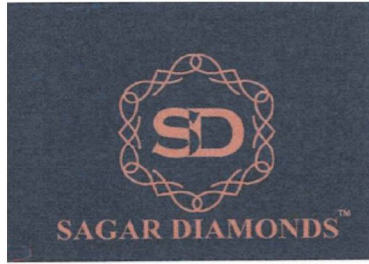
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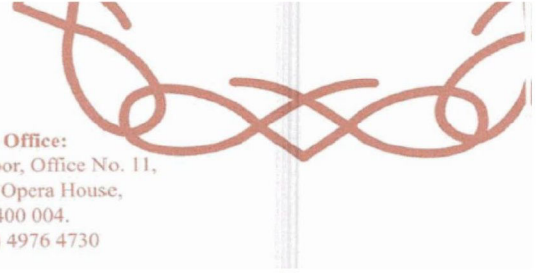
			value of Trade Receivables aggregating to INR 3,58,389.38 lakh. Accordingly, we are unable to comment on the appropriateness of the carrying value of such Trade Receivables and their consequential impact, if any on the financial results and the financial position of the Company as at and for the year ended March 31, 2022.
	b	Type of Audit Qualification:	Qualified Opinion
	C	Frequency of qualification:	New.
	D	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	-
	E	For Audit Qualification(s) where the impact is not quantified by the auditor:	-
		(i) Management's estimation on the impact of audit qualification:	-
		(ii) If management is unable to estimate the impact, reasons for the same:	No major impact. Considering nature of this industry, COVID-19 situation and past experience, such delay / late recovery from receivables have been in earlier years also. No major write off happened in past. Management is considering that all receivable are good of recovery.
		(iii) Auditors' Comments on (i) or (ii) above:	Included in details of auditor's qualification stated above. [Please refer note II(A)]
III		Signatories	
		CEO/Managing Director	
		CFO	



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		Audit Committee Chairman	
		Statutory Auditor	

Place: Surat
Date: May 24, 2022

