

DIRECTOR'S REPORT

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 21st Annual Report together with the Audited Statement of Accounts of your Company 'PATDIAM JEWELLERY LIMITED' for the year ended 31st March, 2020.

FINANCIAL RESULTS

(Amount in Rs.)

Particular	For the F.Y. ended 31/03/2020	For the F.Y. ended 31/03/2019
Revenue & other Income	64,74,01,707/-	69,08,45,572/-
Expenses	62,37,61,309/-	67,45,50,258/-
Net Profit/(loss) before Exceptional / Extra Ordinary Items/tax	2,36,40,397/-	1,62,95,314/-
Exceptional Items		
Profit Before Tax	2,36,40,397/-	1,62,95,314/-
Tax of Previous Year	3,50,740/-	2,34,059/-
Current Tax	64,00,000/-	54,80,000/-
MAT Credit	-	-
Deferred Tax	5,61,577/-	9,98,213/-
Net Profit / (Loss) after tax	1,74,51,235/-	1,15,79,468/-

COMPANY'S PERFORMANCE

During the year under review, the Company's sales income decreased by 5.78% to Rs. 64,74,01,707/- compared with Rs. 68,71,13,450/- in the previous year. Profit before tax increased by 45.07% to Rs., 2,36,40,397/- compared with Rs. 1,62,95,314/- in the previous year. However, company has gained in the net profit of 50.70% to Rs. 1,74,51,235/-.

TRANSFER TO RESERVES

The company except its surplus profit has not carried any amount to the reserves during the year.

DIVIDEND

Your Directors do not recommend any dividend for the year as the profits earned need to be ploughed back into the operations of the company and will be used for working requirements of the Company.

DEPOSITS

Your Company has neither accepted / renewed any deposits from public during the year nor has any outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31st March, 2020 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company had no subsidiaries, Joint Venture or Associate Company during the year under review.

SHARE CAPITAL

As on 31st March, 2020, the issued, subscribed and paid up share capital of your Company stood at Rs. 4,31,70,000/- (Rupees Four Crores Thirty One Lacs Seventy Thousand Only), comprising 43,17,000 (Forty Three Lacs Seventeen Thousand) Equity shares of Rs.10/- each.

The Company has neither not issued shares with differential voting rights nor granted any stock options or issue any sweat equity or issued any Bonus Shares. Further, the Company has not bought back any of its securities during the year under review and hence no details /information invited in this respect.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT-9 is Annexed herewith as 'Annexure A' to this Director's Report

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of material contract or arrangement or transaction entered into by the Company with related parties at arm's length basis during the year have been mentioned in the form AOC-2 which is attached as 'Annexure B'.

All Related Party transactions were placed before the Audit Committee and the Board for Approval.

The Policy of Related party transactions/Disclosures are approved by the Board is posted on the Company's website viz www.patdiam.com.

DIRECTORS

As per the provisions of the Companies Act, 2013, Mrs. Priti Kakadia, retires by rotation at the forthcoming AGM and being eligible, offers herself for reappointment. The Board recommends his reappointment.

During the year Mr. Prakash Amritlal Shah and Mr. Jayesh Manjibhai Avaiya Re-appointed as an Independent Director of the Company subject to the approval of members in ensuing Annual General Meeting.

The brief particulars of the Directors seeking appointment /re-appointment at this Annual General Meeting are being annexed to the Report.

Except above, there is no change in constitution of Board.

KEY MANAGERIAL PERSONNEL

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed there under.

1. Mr. Samir Kakadia, Managing Director
2. Mr. Bharatkumar Keshavlal Shah, Chief Financial Officer (CFO)
3. Ms. Navita Choudhary, Company Secretary and Compliance Officer

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR).

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178 of the Act, read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined template designed as a tool to facilitate the evaluation process. The assessment was built around the functioning of the Board as a whole, its Committees and also the evaluation of Individual Directors.

While the individual directors' performance was reviewed by the Chairman and the rest of the Board excluding the Director being evaluated, the Chairman's and Non-Independent Directors performance was appraised through feedback from Independent Directors.

DETAILS OF BOARD MEETINGS

During the financial year under review, 7 (Seven) Board Meetings were convened and held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirement under section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) In the preparation of the annual accounts for financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of 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 for the year ended March 31, 2020, on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

M/s. Pulindra Patel & Co., Chartered Accountants, was appointed as the Statutory Auditors for a period of 5 years in the 17th Annual General Meeting held on 30.09.2016. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every AGM has been omitted with effect from 7th May, 2018.

STATUTORY AUDITOR REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Pulindra Patel & Co., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2020. The Report is attached hereto and is self-explanatory requiring no further elucidation.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

COST AUDITORS

The Cost audit of the Company has not been conducted for the financial year 2019-20 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SKJ & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020.

The Secretarial Audit Report is annexed herewith as an 'Annexure C' to this Report. The response of your director son the observation made in Secretarial Audit Report is as follows:

Observation:

As per section 138 (1) of the Companies Act, 2013, the Company is required to appoint Internal Auditor. The Company has not appointed the same.

Response:

The Company is in process of finding suitable candidate to act as an Internal Auditor.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's businesses, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report as 'Annexure D'.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adhering to the disclosure norms as set out by Securities and Exchange Board of India. The Report on Corporate Governance with Auditor's Certificate thereon in terms of Regulation 34 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) read with Schedule V of said regulations forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provision of Section 135 of the Companies Act, 2013 the company is not required to undertake Corporate Social Responsibility activities.

PARTICULARS OF EMPLOYEES

There are no employees who are receiving remuneration exceeding of Rs. eight lakh and fifty thousand per month or Rs. one crore and two lakh rupees per annum under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration) Rules, 2014, a disclosure on remuneration related information of employees, Key Managerial Personnel and Directors is annexed herewith and forms part of the report (Annexure-E).

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as follows:

- **CONSERVATION OF ENERGY**

The operation of your Company is not energy intensive. However, the Company makes its best efforts for conservation of energy in its factory and office premises.

- **TECHNOLOGY ABSORPTION, ADAPTATIONS& INNOVATION**

The Company has not carried out any specific research and development activities. The Company uses indigenous technology for its operations. Accordingly, the information related to technology absorption, adaptation and innovation is reported to be NIL.

- **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earnings and outgo are as follows:

Particulars	Current Year	Previous Year
FOREIGN EXCHANGE EARNINGS		
F.O.B. Value of Export	61,82,41,213/-	68,16,43,024/-
FOREIGN EXCHANGE OUTGO (Value of Imports calculated on CIF Basis)		
Raw Materials	11,04,01,815/-	8,28,59,713/-
Consumable stores	16,93,902/-	25,39,927/-
Capital Goods	12,22,288/ -	-
Expenditure	60,09,340/-	45,15,359/-

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

In compliance with the provisions of section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), the Company has adopted a Whistle Blower Policy as a vigil mechanism for directors and employees of the Company.

The Whistle Blower Policy is disclosed on the Company's website www.patdiam.com

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials,

components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic over view of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company which has occurred from the end of financial year i.e. March 31, 2020 to the date of Directors Report.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review there was no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

POLICY ON SEXUAL HARASSMENT

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2019-20.

ACKNOWLEDGMENTS

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels

For and on behalf of the Board
PATDIAM JEWELLERY LIMITED

Date: 26.11.2020
Place: Mumbai

Pravin Kakadia
Chairman & Director
(DIN: 00178140)

Samir Kakadia
Managing Director
(DIN: 00178128)