

Date: 3<sup>rd</sup> September, 2024

To,  
The Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Scrip Code: 523826

**SUB: Sovereign Diamonds Limited - Annual Report for the Financial Year 2023 – 24  
and Notice convening the 50<sup>th</sup> Annual General Meeting**

Dear Sir,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2023 – 24 along with the Notice convening the 50<sup>th</sup> Annual General Meeting scheduled to be held on Thursday, 26<sup>th</sup> September, 2024 at 11.00 a.m. (IST) through Video Conferencing / Other Audio Visual Means in accordance with the General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 and General Circular No. 9/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI.

Kindly take the above information on record.

Yours Faithfully,

**FOR SOVEREIGN DIAMONDS LIMITED**

  
**AJAY GEHANI**  
MANAGING DIRECTOR





## NOTICE

**NOTICE** is hereby given that the Fiftieth Annual General Meeting of the members of **SOVEREIGN DIAMONDS LIMITED** will be held on Thursday, 26<sup>th</sup> September, 2024 at 11.00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Annual Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ajay Gehani (DIN No.: 00062989), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. Appointment of Mr. Narasinha Pal as an Independent Director.**

To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Narasinha Pal (DIN: 10568460), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board of Directors with effect from 1<sup>st</sup> April, 2024 in accordance with the provisions of Section 161 of the Act and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and the Articles of Association of the Company, the appointment of Mr. Narasinha Pal, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 1<sup>st</sup> April, 2024 up to 31<sup>st</sup> March, 2029.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

#### **4. Appointment of Mr. Jigar Darji as an Independent Director.**

To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** in accordance with the provisions of Section 160 and all other



applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jigar Darji (DIN: 08536419), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board of Directors with effect from 14<sup>th</sup> August, 2024 in accordance with the provisions of Section 161 of the Act and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and the Articles of Association of the Company, the appointment of Mr. Jigar Darji, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 14<sup>th</sup> August, 2024 up to 13<sup>th</sup> August, 2029.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

**5. To re-appoint Ms. Arundhati Mali as Whole Time Director & CFO of the Company.**

To consider and if thought fit, to pass the following resolution as an **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and in terms of applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any other statutory modification(s) or re-enactment(s) thereof], and such other approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the Members of the Company be and is hereby accorded to the re-appointment of Ms. Arundhati Mali (DIN: 08353618) as Whole Time Director and Chief Financial Officer of the Company for a term of 3 (three) years commencing from 1<sup>st</sup> June, 2024 up to 31<sup>st</sup> May, 2027 on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice and with liberty to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter, modify or revise from time to time, the terms and conditions of the said re-appointment and/or remuneration, in such manner as may be agreed to between the Board and Ms. Arundhati Mali.



**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, Ms. Arundhati Mali will be paid the salary and perquisites as stated in the Explanatory Statement as minimum remuneration in accordance with Part II of Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**NOTES:**

**General Instructions for Accessing and participating in the 50<sup>th</sup> Annual General Meeting (AGM) through VC / OAVM Facility and Voting through Electronic means including Remote E- Voting.**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of item no. 3 to 5 of the Notice of 50<sup>th</sup> AGM is annexed hereto.
2. Pursuant to the General Circulars 9/2023 dated 25<sup>th</sup> September, 2023, other circulars issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI bearing reference SEBI/HO/ CFD/PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the circulars, the AGM of the Company is being held through VC.
3. **ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC / OAVM.** In terms of provisions of Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
4. The Company has appointed M/s. Central Depository Services (India) Limited (CDSL) to provide video conferencing facility for the AGM and the attendant enablers for conducting of the AGM. The proceedings of the AGM will be web-casted live for all the members who hold shares as on cut-off date i.e. Thursday, 19<sup>th</sup> September, 2024. The members can visit <https://www.evotingindia.com> and login through user id and password to watch the live proceedings of the AGM on Thursday, 26<sup>th</sup> September, 2024 from 11.00 a.m. onwards. Further, the Company has also appointed CDSL as an authorized e-voting agency for facilitating members to vote on all the resolutions proposed in the Notice of AGM through electronic means. Members will have the option to cast their votes either 3 days prior to the date of AGM (Remote E-Voting) or during the AGM (E-Voting). The instructions to vote by remote e-voting and e-voting has been provided below.
5. The members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility to join the AGM will be made available for 1,000 members on first come



first serve basis. This will not include Large 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 serve basis.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Friday, 20<sup>th</sup> September, 2024 to Thursday, 26<sup>th</sup> September, 2024 (both days inclusive).
8. The attendance of the Members attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. The scanned copies of Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the Members through electronic mode, based on the request being sent at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in).
11. Members desiring any relevant information about the financial statements and/or operations of the Company are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready. Members can also email their queries at the email address of Mr. Ajay Gehani, Managing Director at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in).
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2023 – 24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / RTA / Depositories. In line with the MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.sovereigndiamondsltd.com/investor-relations>. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at <https://www.bseindia.com/stock-share-price/sovereign-diamonds-ltd/soverdia/523826/corp-announcements/> or will be made available if a request is sent to the Company at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in). The Notice of AGM is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
13. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participant, and members holding shares in physical mode are requested to update their email addresses with the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited so that they can receive Annual Reports and any other communication by the Company from time to time in electronic mode. Members may follow the process detailed below for updating their bank account details and registration of email addresses to obtain the report and other communications from time to time.



❖ **Physical Shareholders:**

For availing the following investor services, send a written request in the prescribed forms to the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited either by email at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or by post to C 101, Embassy 247, L B S Marg, Vikhroli West, Mumbai – 400 083.

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR – 1
Update of signature of securities holder	Form ISR – 2
For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH – 13
Declaration to opt out	Form ISR – 3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH – 14
Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR – 4

❖ **Demat Shareholders:**

Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.

This will enable them to receive communication by the Company from time to time in electronic form. Members of the Company, who have registered their e-mail address, are entitled to receive such communications in physical form upon request.

- 14. SEBI has mandated the submission of PAN, KYC details, bank account details, specimen signature and nomination by holders of physical securities and linking PAN with Aadhaar vide its circulars dated 3<sup>rd</sup> November, 2021, 14<sup>th</sup> December, 2021 and 16<sup>th</sup> March, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).**

**Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s).**

15. In terms of Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated June 08, 2023 issued by the Securities and Exchange Board of India (SEBI) titled Online processing of investor service requests and complaints by RTAs, M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent has launched an Investor Self-Service Portal known as 'SWAYAM'. 'SWAYAM' is a secure, user-friendly web-based application, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal. This application can be accessed at <https://swayam.linkintime.co.in>.

Following are the features of SWAYAM:

- o Effective Resolution of Service Request -Generate and Track Service Requests/ Complaints through SWAYAM.
- o Features - A user-friendly GUI.
- o Track Corporate Actions like Dividend/Interest/Bonus/split.



- o PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
  - o Effortlessly Raise request for Unpaid Amounts.
  - o Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
  - o Statements - View entire holdings and status of corporate benefits.
  - o Two-factor authentication (2FA) at Login - Enhances security for investors.
16. As per Regulation 40 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended, securities of listed companies can only be transferred in demat form. In view of this and to eliminate risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or its Registrar and Share Transfer Agent for the same.
17. Information about additional details of the Directors along with their brief profile who are seeking re-appointment as set out at Item Nos. 2 to 5 of the Notice dated 14th August, 2024 as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended and the Secretarial Standards on General Meetings (SS – 2) issued by the Institute of Company Secretaries of India ('ICSI') is given below:

**Table I:**

	<b>Seeking re-appointment at Item No. 2 of the Notice</b>	<b>Seeking re-appointment at Item No. 5 of the Notice</b>
<b>Name</b>	<b>Mr. Ajay Gehani</b>	<b>Ms. Arundhati Mali</b>
Director Identification Number (DIN)	00062989	08353618
Date of Birth	18 <sup>th</sup> May, 1966	11 <sup>th</sup> February, 1975
Nationality	Indian	Indian
Date of Appointment on Board	24 <sup>th</sup> November, 1984	8 <sup>th</sup> February, 2019
Qualifications	B. Com, G.G.(GIA)	B. Com
Shareholding in Sovereign Diamonds Limited	34,76,275 equity shares	100 equity shares
In case of Non Executive Director the shareholding including shareholding as Beneficial Owner.	N.A.	N.A.
Expertise in specific functional areas	Jewellery designing and manufacturing of diamond jewellery, marketing of jewellery in domestic and international market, both.	Finance, Banking and Compliance of tax laws.
Terms and Conditions of reappointment	Seeking re-appointment after retiring by rotation; On re-appointment, he will assume office on same terms as previously approved by members in 48 <sup>th</sup> AGM held on 8 <sup>th</sup> September, 2022.	Re-appointment as Whole Time Director and Chief Financial Officer for a term of 3 years w.e.f. 1 <sup>st</sup> June, 2024 up to 31 <sup>st</sup> May, 2027 (Refer Item No. 5 of the Notice and Explanatory Statement)



Remuneration last drawn (including sitting fees, commission if any)	Rs. 36.00 Lakhs	Rs. 4.34 Lakhs
Remuneration proposed to be paid	N.A. – Seeking re-appointment after retiring by rotation; hence no change in terms	Refer Item No. 5 of the Notice and Explanatory Statement
Relationships with other Director / Key Managerial Personnel	Not related to any Director	Not related to any Director
Number of meetings of the board attended during the financial year (2023-24)	5	5
Directorships in other Public Limited Companies along with listed entities from which the person has resigned in the past three years.	Nil	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	N.A.	N.A.

**Table II:**

	<b>Seeking re-appointment at Item No. 3 of the Notice</b>	<b>Seeking re-appointment at Item No. 4 of the Notice</b>
<b>Name</b>	<b>Mr. Narasinha Pal</b>	<b>Mr. Jigar Darji</b>
Director Identification Number (DIN)	10568460	08536419
Date of Birth	28 <sup>th</sup> May, 1948	24 <sup>th</sup> November, 1993
Nationality	Indian	Indian
Date of Appointment on Board	1 <sup>st</sup> April, 2024	14 <sup>th</sup> August, 2024
Qualifications	B. Sc, CAIIB	LL.B, ACS
Shareholding in Sovereign Diamonds Limited	Nil	Nil
In case of Non Executive Director the shareholding including shareholding as Beneficial Owner.	Nil	Nil





Expertise in specific functional areas	Finance	Start-up Registration, Corporate and Secretarial Compliance, Due Diligence, Compliance Audit, Trademark (Logo) registrations, Copyright and Patent Registration, Import Export Code, MSME Registration, Gumasta Licence and various other licences and Registrations.
Terms and Conditions of appointment	As per Sch IV of Companies Act, 2013	As per Sch IV of Companies Act, 2013
Remuneration last drawn (including sitting fees, commission if any)	N.A.	N.A.
Remuneration proposed to be paid	Sitting Fees as approved by the Board of Directors	Sitting Fees as approved by the Board of Directors
Relationships with other Director / Key Managerial Personnel	Not related to any Director	Not related to any Director
Number of meetings of the board attended during the financial year (2023-24)	N.A.	N.A.
Directorships in other Public Limited Companies along with listed entities from which the person has resigned in the past three years.	Nil	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Mr. Narsinha Pal is a Bachelor of Science from Karnataka University, Dharwar, CAIIB, Certified Associate of Indian Institute of Bankers. He has worked as General Manager of Corporation Bank for 32 years and is presently retired. He has vast experience in the field of finance.	Mr. Jigar Darji is a Practicing Company Secretary since 6 years practicing under the name M/s. Jigar Darji & Associates. His areas of practice include handling RBI Compliances, NCLT cases, SEBI and IPR cases. He has overall work experience in the field of Secretarial Compliances of Private, Listed, Unlisted Public Companies.



18. As the 50<sup>th</sup> AGM is being held through VC, Route Map is not annexed to the notice.

**INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i) The voting period begins on Monday, 23<sup>rd</sup> September, 2024 and ends on Wednesday, 25<sup>th</sup> September, 2024. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 19<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.





- iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 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 address in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>



Type of shareholders	Login Method
	<p>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 e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4) Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <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: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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.: 022 - 4886 7000 and 022 - 2499 7000



**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual shareholders and shareholders holding shares in physical form</b>
<b>PAN</b>	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

- a) After entering these details appropriately, click on “SUBMIT” tab.
- b) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- c) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- d) Click on the EVSN for the “**SOVEREIGN DIAMONDS LIMITED**” on which you choose to vote.



- e) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- f) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- g) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- h) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- i) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- j) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**vi) Additional Facility for Non – Individual Shareholders and Custodians –Remote E-Voting**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the ‘Corporate’ module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution under Section 113 of the Companies Act, 2013 and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution under Section 113 of the Companies Act, 2013 / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer i.e. M/s. P. C. Shah & Co. Practicing Company Secretaries at [pcshahandco@gmail.com](mailto:pcshahandco@gmail.com) and to the Company at the email address viz; [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in) or [akshayjain1101@gmail.com](mailto:akshayjain1101@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**COMMON INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.



2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Only those shareholders, who are 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 available during the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email address, mobile number at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in). The members who do not wish to speak during the AGM but have queries may send their queries in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email address, mobile number at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in). These queries will be replied to by the company suitably by email.
8. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
10. Shareholders who have voted through remote e-Voting will also be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders – please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

**Other Instructions:**

1. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to the shares held by them on the paid-up equity share capital of the Company as on Thursday, 19<sup>th</sup> September, 2024 and as per the Register of Members of the Company.
3. The Board of Directors has appointed M/s P. C. Shah & Co., Practicing Company Secretaries as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.
4. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and then unblock the votes cast through remote e-Voting and shall make, a consolidated Scrutinizer's Report. The results of the e-Voting will be declared by the Chairman or a person authorized by him in writing within 48 hours from the conclusion of the AGM.
5. The results shall be declared not later than 48 hours from conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolutions. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at [www.sovereigndiamondsltd.com](http://www.sovereigndiamondsltd.com) and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to BSE Limited and will be available on their website at [www.bseindia.com](http://www.bseindia.com), where the Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.

**By order of the Board  
For Sovereign Diamonds Limited**

**Ajay Gehani  
Managing Director  
DIN: 00062989**

**Place: Mumbai  
Date: 14<sup>th</sup> August, 2024**





**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT**

**PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item Nos. 3 & 4:**

The Nomination and Remuneration Committee ('NRC') taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company, identified that the qualifications and rich experience of Mr. Narasinha Pal (DIN: 10568460) and Mr. Jigar Darji (DIN: 08536419) meets the skills and capabilities required for the role of Independent Director of the Company.

Accordingly, the NRC recommended to the Board the appointment of Mr. Narasinha Pal and Mr. Jigar Darji as Independent Directors.

Based on the recommendations of the NRC, the Board, in terms of Section 161 of the Companies Act, 2013 ('Act'), appointed Mr. Narasinha Pal as an Additional Director (Non-Executive, Independent) of the Company effective from 1<sup>st</sup> April, 2024 and Mr. Jigar Darji as an Additional Director (Non-Executive, Independent) of the Company effective from 14<sup>th</sup> August, 2024 and in accordance with the provisions of Section 149 read with Schedule IV to the Act, and Regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') appointed Mr. Narasinha Pal as Independent Director of the Company effective from 1<sup>st</sup> April, 2024 for a term of 5 (five) years and Mr. Jigar Darji as an Independent Director of the Company effective from 14<sup>th</sup> August, 2024 for a term of 5 (five) years. The office of Mr. Narasinha Pal and Mr. Jigar Darji shall not be liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing their candidature for the office of Director.

**Brief profile of Mr. Narasinha Pal and Mr. Jigar Darji are given below:**

**a. Mr. Narasinha Pal – Independent Director:**

Mr. Narsinha Pal is a Bachelor of Science from Karnataka University, Dharwar, CAIIB, Certified Associate of Indian Institute of Bankers. He has worked as General Manager of Corporation Bank for 32 years and is presently retired. He has vast experience in the field of finance.

**b. Mr. Jigar Darji – Independent Director:**

Mr. Jigar Darji is a law graduate and member of Institute of Company Secretaries of India. By profession he is a Practicing Company Secretary since 6 years practicing under the name M/s. Jigar Darji & Associates. He has special expertise in Start-up Registration, Corporate and Secretarial Compliance, Due Diligence, Compliance Audit, Trademark (Logo) registrations, Copyright and Patent Registration, Import Export Code, MSME Registration, Gumasta Licence and various other licences and Registrations.

His areas of practice include handling RBI Compliances, NCLT cases, SEBI and IPR cases. He has overall work experiences in the field of Secretarial Compliances of Private, Listed, Unlisted Public Companies.

The Board is of the opinion that Mr. Narasinha Pal and Mr. Jigar Darji possesses the identified core skills, expertise and competencies fundamental for effective functioning in their role as Independent Director(s) of the Company and their association would be of immense benefit to the Company.

The Company has received declaration from each of them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act, read with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, each of them has confirmed that they are not



aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Director of the Company. The Company has also received from each of them (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that each of them are not disqualified under Section 164 of the Act.

Each of them has also confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to directions issued by SEBI dated 14<sup>th</sup> June, 2018.

Each of them has also confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA). Mr. Jigar Darji is not required to appear for proficiency test conducted by IICA. Mr. Narasinha Pal shall appear before IICA for online proficiency self assessment test in due course

In the opinion of the Board, Mr. Narasinha Pal and Mr. Jigar Darji fulfils the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and that each of them are independent of the Management of the Company.

The terms and conditions of appointment of Mr. Narasinha Pal and Mr. Jigar Darji shall be open for inspection by the Members of the Company, without payment of any fees, at the Registered Office of the Company on all working days (except Sundays and holidays) during business hours, until the conclusion of the Annual General Meeting.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are made at Note no. 17 to the Notice of 50<sup>th</sup> Annual General Meeting.

Pursuant to Section 161 of the Act, Mr. Narasinha Pal and Mr. Jigar Darji holds office up to the date of this Annual General Meeting. The Company has received notice in writing from a Member under Section 160 of the Act, proposing their candidature for the office of Director of the Company. In terms of Section 161 of the Act, it is proposed to appoint them as Directors of the Company.

Further, in compliance with the provisions of Section 152 and 149 read with Schedule IV to the Act and SEBI Listing Regulations, it is proposed to appoint Mr. Narasinha Pal as an Independent Director for a term of 5 (five) years commencing from 1<sup>st</sup> April, 2024 up to 31<sup>st</sup> March, 2029 (both days inclusive) and Mr. Jigar Darji as an Independent Director for a term of 5 (five) years commencing from 14<sup>th</sup> August, 2024 up to 13<sup>th</sup> August, 2029 (both days inclusive).

The Board recommends the respective resolutions at item no. 3 and 4 of the accompanying Notice for approval of the Members.

Except Mr. Narasinha Pal and his relatives, no other Director or Key Managerial Personnel ('KMP') of the Company or their respective relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice.

Except Mr. Jigar Darji and his relatives, no other Director or Key Managerial Personnel ('KMP') of the Company or their respective relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.



**Item No. 5: Re-appointment of Ms. Arundhati Mali as Whole Time Director and Chief Financial Officer:**

The Board of Directors on the recommendation by the Nomination and Remuneration Committee ('NRC') at its meeting held on 30<sup>th</sup> May, 2024, has re-appointed Ms. Arundhati Mali (DIN: 08353618) as Whole Time Director and Chief Financial Officer (CFO) for a term of 3 years from 1<sup>st</sup> June, 2024 up to 31<sup>st</sup> May, 2027 (both days inclusive) on the terms and conditions as specified in this Notice.

**Profile:**

Ms. Arundhati Mali has in-depth knowledge in the field of finance and banking. She has equally wide experience in compliance of tax laws on day-to-day basis. She has been associated with Sovereign Diamonds Limited since 14 years.

**The terms of the re-appointment and payment of remuneration to Ms. Arundhati Mali, Whole Time Director and CFO are as follows including disclosures required as per Schedule V to the Companies Act, 2013 ('the Act') for paying minimum remuneration are as follows:**

<b>Name of Director</b>	<b>Designation</b>	<b>Responsibility</b>
Ms. Arundhati Mali	Whole Time Director and Chief Financial Officer	Finance, Banking and compliance of tax laws.

**A. REMUNERATION:**

Ms. Arundhati Mali, Whole Time Director and CFO will be paid a remuneration of Rs. 35,000/- per month. She shall be eligible for yearly increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors subject to maximum ceiling of Rs. 1,00,000 per month provided that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the following:

- a. Ceiling provided in Part II, Para A of Schedule V to the Act based on the effective capital for the respective financial year or
- b. Such amount such that the total remuneration paid to all Executive Directors does not exceed 10% of net profit of the respective financial year calculated in terms of Section 198 of the Companies Act, 2013, whichever is higher.

**B. PERQUISITES:**

**NON MONETARY CEILING PERQUISITES:**

- ❖ The Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of Income Tax Act.
- ❖ Gratuity: One half of a month's salary for each completed year of service in accordance with the Rules of the Company
- ❖ Leave Encashment: Leave salary as per the rules of the Company; Encashment of Leave shall be at the end of the tenure.

**C. MINIMUM REMUNERATION:**

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the Audited Annual Financial Statements as on 31<sup>st</sup> March, 2024 and has been fixed as provided in Part II, Para A of Section II of Schedule V to the said Act based on the Effective Capital for the respective financial year. Accordingly, the remuneration of Rs. 35,000 per month or such higher remuneration as recommended by Nomination



and Remuneration Committee and approved by the Board of Directors shall be paid to her irrespective of whether the Company has loss or inadequate profits. The disclosures required to be made as per the Part II, Section II, Para B (iv) of Schedule V of the Act, are annexed as 'Annexure A' to this Explanatory Statement.

**D. OTHER CONDITIONS:**

- i. For all other terms and conditions not specifically mentioned above, the rules and order of the Company shall apply.
- ii. Ms. Arundhati Mali satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, Ms. Arundhati Mali has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to directions issued by SEBI dated 14<sup>th</sup> June, 2018.
- iii. Ms. Arundhati Mali shall hold office as such, subject to the provisions of Section 164 and 167 of the Companies Act, 2013.
- iv. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to Ms. Arundhati Mali unless specifically provided otherwise.

Having regard to the qualifications, skills, experience and knowledge, the Board is of the view that the re-appointment of Ms. Arundhati Mali as the Whole Time Director and CFO will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to her is commensurate with his abilities and experience.

The Letter of Appointment containing terms and conditions of appointment of Ms. Arundhati Mali shall be open for inspection by the Members of the Company, without payment of any fees, at the registered office of the Company on all working days except Sundays and Public Holidays, during business hours until the conclusion of the AGM. The same along with the above disclosures may be treated as a written memorandum setting out the terms of re-appointment of Ms. Arundhati Mali under Section 190 of the Companies Act, 2013.

The disclosure of Ms. Arundhati Mali as per requirements of Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard ('SS-2') on General Meetings issued by the Institute of Company Secretaries of India are made at note no. 17 of the Notice of 50<sup>th</sup> AGM.

In terms of Section 196 and 197 read with Schedule V of the Act read with SEBI Listing Regulations, appointment of Whole Time Director and CFO requires approval of the members by special resolution. The Board recommends resolution at item no. 5 of the accompanying Notice for approval of the members.

Except Ms. Arundhati Mali and her relatives, no other Director or Key Managerial Personnel ('KMP') of the Company or their respective relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.



## Annexure 'A'

As per the Part II, Section II, Para B (iv) of Schedule V of the Act, the Company hereby furnishes the following information:

## I. GENERAL INFORMATION:

Sr. No	Particulars	Information	
1.	Nature of Industry	Jewellery	
2.	Date or expected date of commencement of Commercial Production	The Company is manufacturing diamond studded gold jewellery yarns since 1974.	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	<b>Financial performance based on given indications.</b> Total Income Net Profit before Tax Net Profit After Tax	<b>31-03-2024</b> <b>(Rs. in Lakhs)</b>	<b>31-03-2023</b> <b>(Rs. in Lakhs)</b>
		2,842.38	2,906.82
		167.99	192.78
		138.00	141.11
5.	Foreign investments or collaborators, if any	Nil	

## II. INFORMATION ABOUT THE APPOINTEE'S:

Sr. No.	Particulars	Information
1.	Background Details	Profile given above
2.	Past Remuneration	Rs. 3.82 Lakhs
3.	Recognition or Awards	Nil
4.	Job Profile and Her Suitability	Profile given above
5.	Remuneration proposed	Not exceeding Rs. 35,000 per month. Shall be eligible to yearly increments subject to maximum ceiling of Rs. 1,00,000 per month as explained above.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	The proposed remuneration is reasonable considering future growth of the Company.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Ms. Arundhati Mali does not have any relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any


**III. OTHER INFORMATION:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Information</b>
1.	Reasons of loss or inadequate profits	The profits are not inadequate; however, in the near future depending upon the gold price, if the costs increases, then it could impact profits of the Company.
2.	Steps taken or proposed to be taken for improvement	The Company is already in improved state of affairs. This disclosures under Schedule V are made to enable payment of remuneration if the profits are impacted in future due to high gold price. The Company is careful in doing business. It has repaid its Guaranteed Emergency Credit Line with HDFC Bank and controlled its finance costs. There is no impact of foreign markets on the Company's financials.
3.	Expected increase in productivity and profits in measurable terms	The Company is expecting growth in the turnover and profit due to its marketing efforts.

**By order of the Board  
For Sovereign Diamonds Limited**

**Place: Mumbai  
Date: 14<sup>th</sup> August, 2024**

**Ajay Gehani  
Managing Director  
DIN: 00062989**