

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 - 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 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**





# *Sovereign*<sup>®</sup>

Diamonds Ltd. Since 1974



50<sup>th</sup>  
ANNUAL REPORT  
2023 - 2024

---

50<sup>th</sup> ANNUAL REPORT

2023 - 2024

# Sovereign Diamonds Limited

## BOARD OF DIRECTORS

Mr. Ajay Gehani  
Managing Director

Ms. Arundhati Mali  
Director & CFO

Mr. Narasinha Pal  
Independent Director

Mr. Jigar Darji  
Independent Director

## AUDIT COMMITTEE

Mr. Narasinha Pal, *Chairman*

Mr. Jigar Darji

Mr. Ajay Gehani

## NOMINATION &

## REMUNERATION COMMITTEE

Mr. Narasinha Pal, *Chairman*

Mr. Jigar Darji

Mr. Ajay Gehani

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Narasinha Pal, *Chairman*

Mr. Jigar Darji

Mr. Ajay Gehani

## COMPANY SECRETARY:

Mr. Akshay Jain

## BANKERS

HDFC Bank

## AUDITORS:

### Statutory Auditors:

M/s. J. D. Zatakia & Co.  
Chartered Accountants

### Secretarial Auditors:

M/s. P. C. Shah & Co.  
Practicing Company Secretaries

## CONTENTS

Notice.....	1
Board's Report.....	22
Management Discussion and Analysis Report.....	33
Secretarial Audit Report.....	39
Auditor's Report.....	43
Balance Sheet.....	54
Statement of Profit and Loss.....	55
Cash Flow Statement.....	57
Notes to Accounts.....	59
Financial Performance Highlights.....	92

## REGISTERED OFFICE

Sovereign House,  
11-A, Mahal Industrial Estate,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai – 400 093  
Tel. No – 022 4979 5491  
CIN: L36912MH1974PLC017505  
Email: agehani66@gmail.com

## REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Private Limited  
C 101, Embassy 247,  
L B S Marg, Vikhroli West,  
Mumbai – 400 083.  
Tel No: (0) 810 811 6767  
Toll-free number: 1800 1020 878  
Email: rnt.helpdesk@linkintime.co.in

## 50<sup>TH</sup> ANNUAL GENERAL MEETING

On Thursday, 26<sup>th</sup> September, 2024  
at 11.00 a.m. through video conferencing.



## 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>	<b>31-03-2024 (Rs. in Lakhs)</b>	<b>31-03-2023 (Rs. in Lakhs)</b>
	Total Income	2,842.38	2,906.82
	Net Profit before Tax	167.99	192.78
	Net Profit After Tax	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:

Sr. No.	Particulars	Information
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**





## BOARD'S REPORT

### TO THE MEMBERS OF SOVEREIGN DIAMONDS LIMITED

The Directors take pleasure in presenting the Fiftieth Annual Report together with the Audited Annual Financial Statements for the financial year ended 31<sup>st</sup> March, 2024. The Management Discussion and Analysis has also been incorporated into this report.

#### 1. FINANCIAL RESULTS:

Key highlights of financial results for Sovereign Diamonds Limited for the financial year 2023 – 24 are tabulated below:

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Income from Operations	2,709.34	2,780.73
Other Income	133.04	126.09
<b>Total Income</b>	<b>2842.38</b>	<b>2,906.82</b>
Expenditure	2493.04	2,551.02
Interest	131.71	113.71
Depreciation	49.64	49.30
<b>Total Expenditure</b>	<b>2674.39</b>	<b>2714.04</b>
<b>Net Profit Before Tax</b>	<b>167.99</b>	<b>192.78</b>
Provision for Taxation	42.00	48.00
(Add) / Less : Deferred Tax	(12.01)	3.67
Short / (Excess) Provision of earlier Years	0.00	0.00
<b>Net Profit After Tax</b>	<b>138.00</b>	<b>141.11</b>
Other Comprehensive Income	(2.79)	(0.28)
<b>Total Comprehensive Income</b>	<b>135.21</b>	<b>140.83</b>
Balance brought forward from last year	877.56	736.73
Transfer to General Reserve	0.00	0.00
<b>Balance carried forward to the Balance Sheet</b>	<b>1,013.35</b>	<b>877.56</b>

There was no revision in the Financial Statements.

#### 2. HIGHLIGHTS OF PERFORMANCE:

- Total turnover for the year was Rs. 2,709.34 Lakhs as compared to Rs. 2,780.73 Lakhs in 2022 – 23 i.e. decrease by 2.57 %.
- Total profit before tax for the year was Rs. 138.01 Lakhs as compared to profit before tax of Rs. 192.78 Lakhs in 2022 – 23 i.e. decrease by 28.37%.

#### 3. BUSINESS OPERATIONS:

Generally, world markets were still recovering from economic issues everywhere. The Ukraine war added to Europe's problems and all basic essential items prices went up very much. The Middle east – Israel War also added to the Worlds uncertainties, and all this together increased international prices of Gold. Your Company chose to reduce our exposure to these volatile markets. Our business in the last 12 months has been from domestic markets where your Company feels to have a stronger hold over the clients and their preferences. We feel India is safe and with our quality being accepted nicely by retailers and many direct clients. The year was affected by high gold rates in the domestic market. This led to many good retailers curtailing their purchases and recycle many of their current inventories. As of 31<sup>st</sup> March 2024 – Gold was approx. Rs. 73,000



for 10 grams. This is very high. We continued our efforts to minimize our gold losses by better recovery methods.

Lab grown diamonds too posed a major threat to the diamond trade. This year, we saw lab diamonds prices come down rapidly by 30 - 40% – especially in the larger sizes. This affected the solitaires market very much. Many customers moved towards purchasing this product as now the price difference between natural and lab grown diamonds is huge. This will continue to pose a threat to our industry as foreign markets are rapidly accepting these products. In USA, today over 50% jewellery sold is set with lab grown diamonds. This is slowly spreading to Europe as well.

In 2023-24, interest rates were raised by our banks 2-3 times. This has surely affected our finance costs and profitability. However, we feel our business model will sustain this increase and we will also try as we will continue to reduce our bank borrowings by paying back monthly towards the principal. Your Company has managed to curtail its bank finance usage to totally just approx. Rs. 1130 Lakhs. Last year this usage was approx. Rs. 1217 Lakh. From this loan, your company has repaid almost the entire Covid Moratorium loan on time. This was done mainly to keep finance costs lower.

There was no change in nature of business of your Company, during the year under review.

**4. DIVIDEND:**

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

**5. TRANSFER TO RESERVES:**

The Board of Directors has not recommended transfer of any amount to reserves.

**6. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of your Company i.e. 31<sup>st</sup> March, 2024 and date of this report i.e. 30<sup>th</sup> May, 2024.

**7. SHARE CAPITAL:**

The paid up equity share capital as on 31<sup>st</sup> March, 2024 was Rs. 578.80 lakhs. During the financial year under review, your Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in your Company's share capital during the year under review. The Promoter and Promoter Group are holding 37,62,744 equity shares equivalent to 65.01% of the total issued and paid-up share capital.

**8. DIRECTORS:**

**8.1 Changes in Board of Directors:**

**Cessation of Directors:**

- ❖ Mr. Mohanram Pai (DIN: 00007198) and Mr. Rajesh Arora (03605776) ceased to be Independent Director(s) of the Company on account of completion of their term on 31<sup>st</sup> March, 2024.
- ❖ Mr. Jayeshkumar Gandhi (DIN: 01497163) ceased to be Independent Director of the Company on account of his demise on 27<sup>th</sup> May, 2024.

The Board places on record its appreciation for the dedicated efforts contributed by Mr. Mohanram Pai and Mr. Rajesh Arora during their tenure as Independent Directors of the Company.

**Appointment / Re-appointment of Directors:**

The Board of Directors of the Company had appointed / re-appointed the following persons on the Board of the Company:

- ❖ Mr. Narasinha Pal (DIN: 10568460) and Mr. Jayeshkumar Gandhi (DIN: 01497163) were appointed as Additional Director(s) of the Company w.e.f. 1st April, 2024. They were further appointed as Independent Directors of the Company for a term of 5 years w.e.f. 1st April, 2024.
- ❖ Mr. Jigar Darji (DIN: 08536419) was appointed as Additional Director of the Company w.e.f. 14th August, 2024. He was further appointed as an Independent Director of the Company for a term of 5 years w.e.f. 14th August, 2024.
- ❖ Ms. Arundhati Mali (DIN: 08353618) was re-appointed as Whole Time Director and Chief Financial Officer of the Company for a term of 5 years w.e.f. 1st June, 2024.

**Approval of members proposed in 50th AGM:**

- ❖ In terms of Section 161 of the Companies Act, 2013, Mr. Narasinha Pal and Mr. Jigar Darji holds office up to the date of 50<sup>th</sup> 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 Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, it is proposed to appoint Mr. Narasinha Pal as 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 Independent Director for a term of 5 (five) years commencing from 14<sup>th</sup> August, 2024 upto 13<sup>th</sup> August, 2029.

Necessary resolutions for their appointments, has been proposed for approval of members at item no. 3 and 4 of the Notice of 50<sup>th</sup> Annual General Meeting, respectively.

- ❖ In terms of Section 196 and 197 read with Schedule V of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, approval of the members for re-appointment of Ms. Arundhati Mali as Whole Time Director and Chief Financial Officer of the Company for a term of 3 years w.e.f. 1<sup>st</sup> June, 2024 has been proposed for approval of members at item no. 5 of the Notice of 50<sup>th</sup> Annual General Meeting.

**8.2 Retirement by Rotation:**

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of your Company, Mr. Ajay Gehani (DIN No.: 00062989), Managing Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**8.3 Declaration by Independent Directors:**

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed both, under Sub-Section 6 of Section 149 of the Companies Act, 2013 and under Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to



discharge their duties with an objective independent judgment and without any external influence.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax advisory services and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6 (4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Directors of the Company upto 31<sup>st</sup> March, 2024 are exempted from undertaking online proficiency self-assessment test conducted by the IICA.

#### **8.4 Annual Board Evaluation:**

The annual performance evaluation of the Independent Directors and Board Committees i.e. Audit, Stakeholders Relationship and Nomination & Remuneration Committees was carried by the entire Board and the annual performance evaluation of the Chairman, Board as a whole, Non – Independent Directors was carried out by the Independent Directors.

The annual performance evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration Policy of your Company and as mandated under the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **8.5 Key Managerial Personnel:**

The following persons are the Key Managerial Personnel of your 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 thereunder:

1. Mr. Ajay Geheni, Managing Director
2. Ms. Arundhati Mali, Whole Time Director & CFO
3. Mr. Akshay Jain, Company Secretary and Compliance Officer

None of the Key Managerial Personnel have resigned during the year under review.

None of the Directors have attained the age of 75 years except Mr. Mohanram Pai. In terms of Regulation 17 (1) (c) of SEBI (LODR) Regulations, 2015, the approval of the members for his re-appointment by way of special resolution has been taken at the 45<sup>th</sup> Annual General Meeting of the Company held on 16<sup>th</sup> August, 2019. Mr. Mohanram Pai has ceased to be an Independent Director of the Company on account of completion of his term on 31<sup>st</sup> March, 2024.

#### **8.6 Remuneration Policy:**

The Board has in accordance with the provisions of Section 178 (3) of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Employees. The same has been posted on the website of the Company i.e. <https://www.sovereigndiamondsltd.com/investor-relations>.



**Disclosure under Part II, Section II, Para B (IV) of Schedule V to Companies Act, 2013:**

- ❖ All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors

(Rs. in Lakhs)

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Ajay Gehani	Managing Director	36.00	-	-	36.00
Ms. Arundhati Mali	Whole Time Director & CFO	3.96	-	0.38	4.34
Mr. Mohanram Pai*	Independent Director	-	-	0.38	0.38
Mr. Rajesh Arora*	Independent Director	-	-	0.38	0.38

\*Ceased to be Independent Director on account of completion of term on 31<sup>st</sup> March, 2024.

- ❖ The Company does not pay any performance-linked incentives or sign-on amount to Executive and Non-Executive Directors. There are no performance linked criteria.
- ❖ Service Contract: Term of 5 years from the date of appointment.
- ❖ Notice Period & Severance Fees: Notice Period is 1 month; The Company does not pay any severance fees to its Directors.
- ❖ The Company has not issued any stock options.

### **8.7 Board Meetings:**

During the financial year your Company has held 5 (Five) Board Meetings which were held on 27<sup>th</sup> May, 2023, 11<sup>th</sup> August, 2023, 10<sup>th</sup> November, 2023, 14<sup>th</sup> February, 2024 and 30<sup>th</sup> March, 2024. The maximum interval between any two meetings does not exceed 120 days. As per Section 167 (1) (b), all the directors have attended at least one Board Meeting held during the financial year.

### **9. PARTICULARS OF EMPLOYEES:**

During the financial year, there was no employee in receipt of remuneration in excess of limit as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed Particulars of Employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure A" and form part of this Report.

### **10. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of the company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**11. INTERNAL CONTROL SYSTEMS:**

Your Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, amongst other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.

**12. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

There are no companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the financial year 2023 – 24.

**13. DEPOSITS:**

Your Company has not accepted deposit from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**14. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY:**

The Company has not made any investments or given any guarantees or securities against loans given under the provisions of Section 186 of the Companies Act, 2013. The details of loans given are given in the Notes to the Annual Financial Statements attached to this report.

**15. RELATED PARTY TRANSACTIONS:**

A Related Party Policy has been adopted by the Board of Directors at its meeting held on 13<sup>th</sup> August, 2014 for determining the materiality of transactions with related parties and dealings with them. All transactions with related parties are placed before the Audit Committee for approval. The said policy may be referred to, at your Company's official website at the web link [https://www.sovereigndiamondsLtd.com/\\_files/ugd/587402\\_01dd7de932a44a2e91f750a22369ba1c.pdf](https://www.sovereigndiamondsLtd.com/_files/ugd/587402_01dd7de932a44a2e91f750a22369ba1c.pdf)

Further, the members may note that your Company has not entered into the following kinds of related party transactions:

- Contracts / arrangement / transactions which are not at arms' length basis



- Any Material contracts / arrangement / transactions [as per Regulation 23 of the SEBI (LODR) Regulations, 2015]

**16. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to your Company.

**17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure B".

**18. RISK MANAGEMENT:**

The nature of business is manufacturing of Jewellery. The risks to the business of your Company are as follows:

- a. Foreign Exchange Risk
- b. Gold Price Risk
- c. Stiff Competition
- d. Labour Risk

The prices of Jewellery consist of Gold, Diamonds & Labour, out of this three, Gold and diamonds consist of 90% of the price of Jewellery. Your Company has no control on the price of Gold and Diamonds and the same is available through Exchanges, Market and Banks. The said risk is favourable / unfavourable to your Company. The nature of risk is dynamic of business and entrepreneurship. In the opinion of the Board, there are no risks which shall threaten the existence of the Company.

Your Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**19. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Your Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In accordance with the Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, your company has adopted a Whistle Blower Policy. Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the Whistle Blower Policy, the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice. Details of the Whistle Blower Policy have been disclosed on your Company's website at [https://www.sovereigndiamondsLtd.com/\\_files/ugd/587402\\_d8991c4591dc47beb2460f412d1ed2da.pdf](https://www.sovereigndiamondsLtd.com/_files/ugd/587402_d8991c4591dc47beb2460f412d1ed2da.pdf)

**20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.



## 21. **AUDITORS:**

### 21.1 **Statutory Auditors:**

The members of the Company at its 48<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> September, 2022 had approved the appointment of M/s. J. D. Zatakia & Co., Chartered Accountants as the statutory auditors of the Company for a term of 5 years. They shall hold the office of statutory auditors from the conclusion of 48<sup>th</sup> Annual General Meeting until the conclusion of the 53<sup>rd</sup> Annual General Meeting.

In view of the amendment to Section 139 of the Companies Act, 2013, the Company is not required to ratify the re-appointment of the Statutory Auditor at every Annual General Meeting. Hence, the item of ratification of re-appointment of Statutory Auditor is not considered in this Annual General Meeting. In view of the same M/s J. D. Zatakia & Co., Chartered Accountants will continue to act as Statutory Auditors of the Company for the financial year 2024 – 25.

### 21.2 **Statutory Auditors' Observations:**

The audit report given by the statutory auditors on the annual financial statements of your Company is part of the Annual Report. There are no qualification, reservation or adverse remark made by the statutory auditors in their Audit Report.

### 21.3 **Secretarial Audit:**

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. P. C. Shah & Co., Practicing Company Secretaries as Secretarial Auditors for conducting Secretarial Audit of your Company for the financial year ended 31<sup>st</sup> March, 2024.

The report of the Secretarial Auditor is attached as "Annexure C". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except provided at point 21.4 below.

### 21.4 **Qualifications in Secretarial Audit Report**

#### **A. Composition of Nomination and Remuneration Committee:**

In respect of the composition of the Nomination and Remuneration Committee, we observe as follows:

As per Section 178 of the Companies Act, 2013, the composition of Nomination and Remuneration Committee shall be as follows:

178 (1): "The Board of the Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one half shall be independent directors:

**Provided** that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

*The Nomination and Remuneration Committee of the Company comprises of two Independent Directors and one Executive Director.* In this regard, the Management has given the following reply:

- ❖ "The Company has four Directors, out of them two are Executive and two are Independent Directors. Accordingly, the composition of the Board is such that the Nomination and Remuneration Committee cannot comprise of three Non-Executive Directors. Hence, Mr. Ajay Gehani, Executive Director is one of the member of the Committee.





- ❖ Mr. Mohanram Pai, Independent Director acts as the Chairman of the Nomination and Remuneration Committee. The Company does not convene the meeting of Nomination and Remuneration Committee unless Mr. Mohanram Pai and Mr. Rajesh Arora, Independent Directors of the Company and members of Nomination and Remuneration Committee are present in the said meeting. This ensures that the Chairmanship and majority decision making vests with the Independent Directors.
- ❖ Further, the role of Mr. Ajay Gehani as a member of the Committee is very limited. He is only filling up the requirement of 3<sup>rd</sup> member as required under Section 178 of the Companies Act, 2013 as there is no option. He does not participate in the affairs of the Committee which are related to remuneration, performance evaluation of Executive Directors and other such matters.
- ❖ As the Committee does not meet without the presence of 2 Independent Directors and since the Chairman is also an Independent Director, hence the voting and governance of the Committee remains independent. Accordingly, with the present composition of Nomination and Remuneration Committee, it has been ensured that majority remains with Independent Directors and accordingly, the spirit of Corporate Governance is achieved.”

## **22. REPORTING OF FRAUDS BY AUDITORS:**

During the financial year under review, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee of the Board, under Section 143 (12) of the Act, any instances of fraud committed against your Company by its officers or employees, the details of which would need to be mentioned in this Report.

## **23. COST RECORDS:**

The provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 (hereinafter referred to as 'Rules') in respect of maintenance and audit of cost records are not applicable to Company.

## **24. COMPLIANCE OF SECRETARIAL STANDARDS:**

The Board of Directors affirms that your Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board, its Committees and General Meeting, which have mandatory application during the year under review.

## **25. EXTRACT OF ANNUAL RETURN:**

Pursuant to sub-section 3 (a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 the Annual Return for the financial year ended 31st March, 2024 in Form MGT 7 is available on the Company's website at <https://www.sovereigndiamondsltd.com/investor-relations>.

## **26. GREEN INITIATIVES:**

In view of Covid 19 pandemic, the Ministry of Corporate Affairs vide its circular no. 17 / 2020 dated 13<sup>th</sup> April, 2020, circular no. 20 / 2020 dated 5<sup>th</sup> May, 2020 and circular No. 10/2022 dated 28<sup>th</sup> December, 2022 and SEBI vide its circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and no. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October, 2023 has dispensed with the requirement of sending hard copy of full annual report to the shareholders.

Electronic copies of the annual report for the financial year 2023 – 24 and notice of the 50<sup>th</sup> Annual General Meeting (AGM) are sent to all members whose email addresses are registered with your Company / Depository Participant(s). Members who have not



registered their email address can do so by following the steps as mentioned in the notes of notice of 50<sup>th</sup> Annual General Meeting. Alternatively, they are requested to download the copy of the Annual Report from the website of the Company i.e. www.sovereigndiamondsltd.com or from the website of BSE Limited i.e. www.bseindia.com or write to the Company at [ajay@sovereignjewellery.in](mailto:ajay@sovereignjewellery.in) or [akshayjain1101@gmail.com](mailto:akshayjain1101@gmail.com).

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

## **27. MANAGEMENT DISCUSSION AND ANALYSIS:**

As required under the Schedule V (B) of the SEBI (LODR) Regulations, 2015, report on "Management Discussion and Analysis" is attached and forms part of this Annual Report.

## **28. CORPORATE GOVERNANCE:**

As per Regulation 15 (2) of the SEBI (LODR) Regulations, 2015, the provisions of Corporate Governance are non-mandatory to the following class of Companies:

- a. Companies having Paid-up Equity Share Capital not exceeding Rs. 10 crores and Net worth not exceeding Rs. 25 Crores, as on the last day of the previous financial year;

Provided that where the provisions of Regulation 27 becomes applicable to a company at a later date, such company shall comply with the requirements of Regulation 27 within six months from the date on which the provisions became applicable to the company.

- b. Companies whose equity share capital is listed exclusively on the SME and SME-ITP Platforms.

The Paid-up Share Capital of your Company is Rs. 5.78 crores as on 31<sup>st</sup> March, 2023 and networth of the Company is Rs. 15.53 crores. Accordingly, the paid-up capital and net worth is below the prescribed limit for mandatory applicability of Corporate Governance clause as per Regulation 15 (2) (a) of the SEBI (LODR) Regulations, 2015. Your Company has decided not to opt for compliance of Regulation 27 for the financial year 2023 – 24.

## **29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviors. Positive workplace environment and a great employee experience are integral part of our culture. Your Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment, your Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

Your Company has a Sexual Harassment Prevention and Grievance Handling Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



No complaint was raised and pending as on 1<sup>st</sup> April, 2023 and no complaint has been raised during the financial year ended 31<sup>st</sup> March, 2024.

**30. INSOLVENCY AND BANKRUPTCY CODE:**

No application has ever been filed against the Company under the Insolvency and Bankruptcy Code, 2016.

**31. ONE TIME SETTLEMENT WITH BANKS:**

The Company has not made any settlement with banks or financial institutions.

**32. LISTING WITH STOCK EXCHANGE:**

Your Company is listed with BSE Limited and your Company has duly paid the listing fees to the Exchange.

**33. AGREEMENTS BINDING LISTED ENTITIES:**

Pursuant to Regulation 30A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, during the financial year, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or its subsidiaries among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

**34. ACKNOWLEDGEMENTS:**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of your Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of your Company for their unstinted commitment and continued contribution to your Company.

**35. CAUTIONARY STATEMENT:**

Statements in the Board's Report describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

**For and on behalf of the Board of Directors  
For Sovereign Diamonds Limited**

**Place: Mumbai**

**Date: 14th August, 2024**

**Ajay Gehani  
Managing Director  
DIN: 00062989**

**Arundhati Mali  
Whole Time Director & CFO  
DIN: 08353618**



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### ➤ **Industry Structure and Developments:**

There is a fall in demand for polished diamonds from US and China. The auctions in Belgium and Dubai have been cancelled as Indian buyers are not keen to participate unless demand goes up.

### ❖ **India:**

India ranks as the world's second-largest consumer of gold jewellery, owing to the unparalleled cultural and religious significance of gold in the country. Gold holds deep roots in Indian traditions, making gold jewellery an indispensable part of ceremonies and festivities. Indian households possess substantial quantities of gold in various forms such as jewellery, coins, and bars. The gold market has rapidly evolved in recent years, largely due to shifting demographics. Weddings and festivals continue to play pivotal roles in driving demand for Indian gold jewellery, with bridal jewellery alone capturing a significant market share and contributing 55% to the total jewellery demand. Furthermore, amidst current macroeconomic volatility and geopolitical tensions, gold is widely acknowledged as a secure and effective hedge against inflation and global economic downturns.

### ❖ **Gold:**

The total gold investment demand in India increased by 7% to 185.2 tonnes in 2023, up from 173.6 tonnes in the previous year. Investment in bars and coins rebounded, rising by 7% YoY to 185 tonnes. During October-December 2023, demand surged to 67 tonnes, surpassing the five year quarterly average by 64%.

### ❖ **Domestic Jewellery Industry updates demand:**

#### **Market Size**

According to the World Gold Council (WGC), India's overall gold jewellery demand declined 6% to 562.3 tonnes in 2023 compared to 600.6 tonnes in 2022, due to elevated gold prices, which dampened consumer enthusiasm. The price of gold was volatile throughout 2023. The average global gold price reached a record high of USD 1,940.54 per ounce in 2023, marking an 8% increase from the previous year. India experienced a sharp rise of 15.8% in its average gold price for 2023, reaching a new record of Rs. 59,130 per 10 grams. Domestic gold prices surged to all-time highs, reaching Rs. 66,529 per 10 grams in March 2024. The robust pricing trends in 2023 led to a preference for lighter-weight or lowercarat jewellery items and a decrease in the overall volume of gold jewellery purchased. Additionally, the higher profit margins associated with gem-set and 18k jewellery further fuelled this transition.

### ❖ **Industry Trend – Diamond Jewellery:**

- Increasing demand for precious gem stones: Changing preferences of young people from gold to coloured gemstone, platinum and palladium jewellery
- Multiple occasions for purchase: Women are buying diamond jewellery for occasions other than marriage
- Focus on technology: Emergence of new manufacturing techniques
- Changing demographics impacting demand: Social media is impacting buying preferences too much. Instagram, Facebook etc are influencing the younger generations tastes
- Growth of lab created diamonds: Also known as synthetic diamonds, artificial diamonds, cultivated diamonds or cultured diamonds



## ❖ **Opportunities and Threats & Risks and Concerns:**

### **Opportunities**

The burgeoning young middle-class population, the rise of dual-income households and increasing disposable income have spurred higher expenditures on luxury items such as high-quality, branded jewellery. Additionally, gold, a symbol of wealth and prosperity deeply ingrained in Indian culture and ceremonies, ensures sustained demand.

### **Threats & Risks and Concerns**

#### **Gold Price**

The recent sharp increase in gold prices has influenced gold consumption demand, primarily in jewellery, constituting approximately three-quarters of total consumption in India. Consumer interest in gold, gems, and jewellery might weaken amid high inflation and economic slowdowns in major markets. Sluggish demand in the international and domestic markets may lead to a decline in exports.

#### **Unorganized Sector**

The Indian gems and jewellery industry is highly fragmented and unorganised. The industry is majorly dominated by small, family-operated jewellery shops that have been established for years. Many customers favour these local shops due to typically higher prices in the organised market, posing a challenge to the growth of the organised sector.

#### **Lab Grown Diamonds**

lab-grown diamonds have emerged as a compelling alternative to their earth mined counterparts. One of the primary attractions of lab-grown diamonds is their comparatively lower price point. This affordability factor has resonated with a growing segment of consumers seeking high-quality diamond jewellery without the premium associated with earth mined diamonds.

## ❖ **Discussion on financial performance with respect to operational performance:**

- Total net sales for the year were Rs. 2,709.34 Lakhs as compared to Rs. 2,780.73 Lakhs in 2022-23.
- Total Profit / Loss before tax for the year was Rs. 167.99 Lakhs as compared to Profit Rs. 192.78 Lakhs in 2022-23.
- The Company has repayment of GECL facilities of Rs. 81.35 Lakhs.
- The Company has reduced its bank borrowing.

## ❖ **Outlook:**

The outlook for the Indian gems and jewellery industry is positive, with anticipated ongoing shifts in consumer purchasing behaviour transitioning from the unorganised to the organised sector. According to industry estimates, the jewellery market will grow at a steady 15-16% CAGR, aiming for USD 145 billion by FY 2027-28.

## ❖ **Internal Control Systems:**

Your Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, amongst other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss



❖ **Material developments in Human Resources / Industrial Relations front, including number of people employed:**

- The Company places a strong emphasis on training and skill development initiatives to enhance employee capabilities and consistently engage its workforce. The Company regards its human resources as its most valuable asset and acknowledges their pivotal role in the Company's growth journey. The Company advocates for equal opportunities and encourages competitiveness to unlock the full potential of its workforce.
- The Company has increased its employee strength from 36 employees to 38 employees.

➤ **Key Financial Ratios:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to give details of significant changes (changes of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Sr. No.	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liability	1.90	1.79	-
b)	Debt Equity Ratio	Borrowings + Interest Accrued	Total Equity	0.68	0.82	-
c)	Debt Service Coverge Ratio	Net Profit after Tax + Depreciation + Interest + Loss on Sale of Fixed Assets	Debt Service = Interest & Lease payments + Principal Repayments	1.32	1.98	-
d)	Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.10	0.09	-
e)	Inventory Turnover Ratio	Cost of Goods Sold or Sales	Average Inventory (Opening Inventory + Closing Inventory) /2	1.43	2.09	-
f)	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivables	3.07	3.74	-
g)	Trade Payable Turnover	Net Credit Purchases	Average Trade Payables	12.69	8.85	-
h)	Net Capital Turnover Ratio	Net Sales	Working Capital	2.13	2.31	-
i)	Net Profit Ratio	Net Profit	Net Sales	0.06	0.07	-
j)	Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	0.18	0.20	-



Sr. No.	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	Reasons for Variance
k)	Return on Investment/ Net worth	Net Profit after Tax	Total Equity	0.08	0.09	-
l)	Operating Profit Margin (%)	Earnings before Interest and Taxes	Net Sales	11.06	11.67	-
m)	Net Profit Margin (%)	Net Profit	Total Revenue	5.91	6.63	-

❖ **Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof :**

As noted above the Return on Net worth has decreased from 0.09% to 0.08%.

**For and on behalf of the Board of Directors  
For Sovereign Diamonds Limited**

Place: Mumbai  
Date: 14th August, 2024

**Ajay Gehani  
Managing Director  
DIN: 00062989**

**Arundhati Mali  
Whole Time Director & CFO  
DIN: 08353618**



**ANNEXURE 'A' TO BOARD'S REPORT**

**DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

**PARTICULARS OF EMPLOYEES**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule (5)(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

<b>Sr. No.</b>	<b>Requirements</b>	<b>Details</b>
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Ajay Geheni – Managing Director – 8.18 Mrs. Arundhati Mali – Director – CFO – 0.83
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Ajay Geheni – Managing Director – 0 Mrs. Arundhati Mali – Director – CFO – 2.35 Mr. Akshay Jain – Company Secretary – 0
3.	The percentage increase in the median remuneration of employees in the financial year	25%
4.	The number of permanent employees on the rolls of company as on 31 <sup>st</sup> March, 2024	38 Employees
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Increase in remuneration is as per remuneration policy of the Company. Average increase in salary of all employees in 2023-24 compared to 2022-23: 25%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the financial year ended 31 <sup>st</sup> March, 2024 is as per the Remuneration Policy of the Company





**ANNEXURE 'B' TO BOARD'S REPORT**  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND**  
**FOREIGN EXCHANGE EARNINGS AND OUTGO**

*[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]*

**A. Conservation of Energy:**

The activity of the Company does not require large scale consumption of energy. Hence, the Company has not taken any energy conservation measures. There are no additional investments and proposals for reduction of consumption of energy. The Company is using LED Lights at its location to conserve energy.

**B. Technology Absorption:**

Particulars	Answers
The efforts made towards technology absorption;	Nil
The benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year);	
a. The details of technology imported;	Financial Year ended March 31, 2024: Nil
b. The year of import;	
c. Whether the technology been fully absorbed;	Financial Year ended March 31, 2023: Nil
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Financial Year ended March 31, 2022: Nil
The expenditure incurred on Research and Development.	Nil

**C. Foreign Exchange Earning and Outgo:**

(Rs. In Lakhs)

Foreign Exchange Earnings/Outgo	2023-24	2022-23
Foreign Exchange Earned	45.15	32.03
Foreign Exchange Outgo		
Travelling / Exhibition Charges	23.91	32.73



**ANNEXURE 'C' TO BOARD'S REPORT**  
**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

Sovereign Diamonds Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not Applicable to the Company during audit period**).
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during audit period**).
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. (**Not Applicable to the Company during audit period**).
  - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993 regarding the Companies Act, 2013 and



dealing with the clients.

- g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2021. **(Not Applicable to the Company during audit period).**
  - h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018. **(Not Applicable to the Company during audit period).**
6. There are no other laws specifically applicable to the industry to which the Company belongs as identified by the management.

We have also examined compliance with the applicable clauses of the following:

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [except those as prescribed under Regulation 15 (2) read with Regulation 15 (3)].

As per Regulation 15 (2) to the SEBI (LODR) Regulations, 2015, the provisions of Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply in respect of a listed entity whose Paid-Up Equity Share Capital does not exceed Rs. 10 crores and Net Worth does not exceed Rs. 25 crores as on 31<sup>st</sup> March, 2023 to the extent that they are addition to the requirements specified under the Companies Act, 2013.

Accordingly, the Company has availed exemption provided in the above Regulations. The Company has not prepared Corporate Governance Report as a part of Annual Report. The Company has decided not to opt for compliance of Regulation 27 for the time being.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following qualifications / observation:

#### **A. Composition of Nomination and Remuneration Committee:**

In respect of the composition of the Nomination and Remuneration Committee, we observe as follows:

As per Section 178 of the Companies Act, 2013, the composition of Nomination and Remuneration Committee shall be as follows:

178 (1): "The Board of the Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one half shall be independent directors:

**Provided** that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

*The Nomination and Remuneration Committee of the Company comprises of two Independent Directors and one Executive Director.* In this regard, the Management has given the following reply:

- ❖ "The Company has four Directors, out of which two are Executive and two are Independent Directors. Accordingly, the composition of the Board is such that the Nomination and Remuneration Committee cannot comprise of three Non-Executive Directors. Hence, Mr. Ajay Gehani, Executive Director is one of the member of the Committee.
- ❖ Mr. Mohanram Pai, Independent Director acts as the Chairman of the Nomination and Remuneration Committee. The Company does not convene the meeting of Nomination



and Remuneration Committee unless Mr. Mohanram Pai and Mr. Rajesh Arora, Independent Directors of the Company and members of Nomination and Remuneration Committee are present in the said meeting. This ensures that the Chairmanship and majority decision making vests with the Independent Directors.

- ❖ Further, the role of Mr. Ajay Gehani as a member of the Committee is very limited. He is only filling up the requirement of 3<sup>rd</sup> member as required under Section 178 of the Companies Act, 2013 as there is no option. He does not participate in the affairs of the Committee which are related to remuneration, performance evaluation of Executive Directors and other such matters.
- ❖ As the Committee does not meet without the presence of 2 Independent Directors and since the Chairman is also an Independent Director, hence the voting and governance of the Committee remains independent. Accordingly, with the present composition of Nomination and Remuneration Committee, it has been ensured that majority remains with Independent Directors and accordingly, the spirit of Corporate Governance is achieved."

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, subject to observation in respect of composition of the Nomination and Remuneration Committee as explained above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period, there were no instances of:

1. Public/Right/Preferential issue of shares / Debentures /Sweat Equity, etc.
2. Redemption / Buy-Back of Securities
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations

**For P. C. Shah & Co.,**  
**(Formerly known as 'M/s. P. P. Shah & Co.')**  
**Company Secretaries**  
Unique ICSI ID No.: S2023MH955400

**Punit Shah**  
**Proprietor**

ACS No: 20536, COP No: 7506

UDIN: A020536F000505671

Peer Review: 666/2020

Date: 30<sup>th</sup> May, 2024

Place: Mumbai



**ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Sovereign Diamonds Limited

**Sub: Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P. C. Shah & Co.,**  
**(Formerly known as 'M/s. P. P. Shah & Co.')**  
**Company Secretaries**  
Unique ICSI ID No.: S2023MH955400

**Punit Shah**  
**Proprietor**

ACS No: 20536, COP No: 7506  
UDIN: A020536F000505671  
Peer Review: 666/2020

Date: 30<sup>th</sup> May, 2024  
Place: Mumbai



## INDEPENDENT AUDITOR'S REPORT

### To the Members of SOVEREIGN DIAMONDS LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **SOVEREIGN DIAMONDS LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, (including Other Comprehensive Income), statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (Hereinafter referred to as the "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's Annual Report but does not include the standalone financial Statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

##### Management's and Board of Directors Responsibilities for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to the preparation of these Standalone Financial Statements that give a true



and fair view of the financial position, financial performance, including Other Comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 is also responsible for overseeing the company's financial reporting process.

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

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

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

- (i) Identify and assess the risks of material misstatement of Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under 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 Standalone Financial Statements in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,



we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- (v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, based on our Audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The company does not have any branch therefore there is nothing to be reported under this sub-clause.
  - d) The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report agree with the books of account.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - f) There are no matters to be reported on financial transaction during the year which may have any adverse effect on the functioning of the company.
  - g) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is





disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- h) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- i) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- j) a) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.  
b) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigation on its financial position in its Standalone Financial Statements. Refer Note 31 to Standalone Financial Statement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide



any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
- v. The company has not declared and paid dividend in the during the year and hence compliance to section 123 is not required.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts which does not have feature of recording audit trail (edit log) facility and hence the question of being operative throughout the year does not arise.

**FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W**

**Date : 30<sup>th</sup> May, 2024  
Place : Mumbai**

**J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669  
UDIN: 24017669BKCRSH5202**

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT**

Referred to in paragraph 1 ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SOVEREIGN DIAMONDS LIMITED of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in normal course of audit, we state that:

- I. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment’s and Investment Property.
  - (B) The Company does not have any intangible assets and accordingly reporting under this clause is not applicable.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment and investment property by which all Property, plant and equipment and investment property are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment and investment property were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on verification were not material and have been properly dealt in the books of account;
  - c) On the basis of our examination of the records of the Company, the title deeds of all the immovable properties (including investment properties) disclosed in the financial statements are held in the name of the Company;
  - d) The company has not revalued any of its Property, Plant, and Equipment during the year. The company does not have any right to use assets or intangible assets during the year.
  - e) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the Company does not have any proceedings initiated or pending as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;
- II.
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification when compared with Books of Accounts.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company except for quarter two which is disclosed at Note No.18(iv) of the financial statements.



- III. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence, reporting under paragraph 3 clause (iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of said order are not applicable.
- IV. There are no loans, investments, guarantees or security in respect of provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- V. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.
- VI. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, for the business activities carried out by the company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.
- VII. In respect of statutory dues:
- a) In our opinion, the company has been generally regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable:
- b) According to the information and explanations given to us, there are no statutory dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues which have not been deposited on account of any dispute.
- VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year;
- IX. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender;
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority or other lender.
- c) According to the information and explanations given to us by the management, term loans were applied for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company as on 31st March, 2024, the Company has availed cash credit facilities and we report that the funds raised on short-term basis aggregating to Rs. 55,65,210/- have been used for long-term purposes by the Company.



- e) The company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
  - f) The company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- X. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.;
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- XI. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit;
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
- XIII. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements at Note No. 35 as required by the applicable accounting standards;
- XIV. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered the internal audit reports of the Company issued till date for the period under audit;
- XV. The Company has not entered into non-cash transactions with the directors or persons connected with its directors. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable;
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable;



- XVII. The Company has not incurred cash losses in the current and in the immediately preceding financial year;
- XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable
- XIX. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;
- XX. Since the Company doesn't satisfy any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 during the immediately preceding financial year, thus there was no requirement for the Company to spend any amount on CSR activities during the year ended March 31, 2024. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.
- XXI. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W**

**Date : 30<sup>th</sup> May, 2024  
Place : Mumbai**

**J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669  
UDIN: 24017669BKCRSH5202**



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

**Referred to in paragraph 2(i) ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SOVEREIGN DIAMONDS LIMITED of even date**

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **SOVEREIGN DIAMONDS LIMITED** (“the Company”) as of 31<sup>st</sup> March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management and Board of Director’s Responsibilities for Internal Financial Controls**

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements



## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W**

**Date : 30<sup>th</sup> May, 2024  
Place : Mumbai**

**J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669  
UDIN: 24017669BKCRSH5202**




**BALANCE SHEET AS AT 31ST MARCH, 2024** (Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>A Assets</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	1	352.85	344.25
b) Capital work-in-progress	2	-	-
c) Investment Property	3	61.32	64.35
d) Financial Assets			
i) Other financial assets	4	6.50	5.39
e) Deferred tax assets (net)	5	20.10	8.65
f) Other non-current assets	6	1.13	1.13
<b>Total non-current assets</b>		<b>441.90</b>	<b>423.77</b>
<b>2 Current assets</b>			
a) Inventories	7	1,733.59	1,882.70
b) Financial assets			
i) Trade receivables	8	937.62	826.07
ii) Cash and cash equivalents	9	2.66	3.73
iii) Loans	10	0.72	1.45
c) Current Tax Assets (Net)	11	8.95	1.54
d) Other current assets	12	11.70	6.34
<b>Total current assets</b>		<b>2,695.23</b>	<b>2,721.82</b>
<b>Total Assets</b>		<b>3,137.13</b>	<b>3,145.59</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
a) Equity Share capital	13	578.80	578.80
b) Other Equity	14	1,109.49	973.70
<b>Total Equity</b>		<b>1,688.29</b>	<b>1,552.50</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	15	3.66	40.20
ii) Other financial liabilities	16	24.79	33.00
b) Provisions	17	0.12	0.10
<b>Total non-current liabilities</b>		<b>28.57</b>	<b>73.30</b>
<b>3 Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	1,148.90	1,225.25
ii) Trade payables	19		
A) Total outstanding dues of micro enterprises and small enterprises; and		22.03	4.49
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		187.34	242.15
iii) Other financial liabilities	20	17.48	24.66
b) Other current liabilities	21	43.28	21.98
c) Provisions	22	1.24	1.26
<b>Total current liabilities</b>		<b>1,420.26</b>	<b>1,519.79</b>
<b>Total Equity and Liabilities</b>		<b>3,137.13</b>	<b>3,145.59</b>
<b>Significant Accounting Policies</b>	A-C		
<b>See accompanying Notes to the Financial Statements</b>	1 to 44		

This is the balance sheet referred to in our report of even date

For J. D. Zatakia & Co.

For and on behalf of Board of Directors

Chartered accountants  
FRN: 111777W

(J.D. Zatakia - Proprietor)  
Membership No. 017669

Ajay R. Gehani  
Managing Director  
DIN-00062989

Arundhati R. Mali  
Director & Chief Financial Officer  
DIN-08353618

Place : Mumbai  
Date : May 30, 2024  
UDIN : 24017669BKCRSH5202

Akshay Jain  
Company Secretary  
Membership No. A53737



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

(Amount in Lakhs)

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Income</b>			
Revenue from operations	23	2,709.34	2,780.73
Other Income	24	133.04	126.09
<b>Total Income (A)</b>		<b>2,842.38</b>	<b>2,906.82</b>
<b>Expenses</b>			
Cost of material consumed	25	1,641.62	2,220.67
Changes in inventories of finished goods, Stock-in-Trade and work-In-progress	26	363.85	(165.83)
Employee benefit Expense	27	209.43	190.11
Finance costs	28	131.71	113.71
Depreciation and amortisation expense	1	49.64	49.30
Other expenses	29	278.14	306.07
<b>Total expense (B)</b>		<b>2,674.39</b>	<b>2,714.04</b>
<b>Profit/(loss) Before Tax (A - B)</b>		<b>167.99</b>	<b>192.78</b>
<b>Tax expense</b>			
Current Tax	30	42.00	48.00
Deferred Tax	30	(12.01)	3.67
<b>Total tax expenses</b>		<b>29.99</b>	<b>51.67</b>
<b>Profit/(loss) for the Period</b>		<b>138.01</b>	<b>141.11</b>
<b>Other comprehensive income:</b>			
<b>A. (i) Items that will not be reclassified to Profit or loss</b>			
Remeasurement of post-employment benefit obligations		(2.23)	(0.28)
<b>(ii) Income tax relating to items that will not be reclassified to Profit or loss</b>			
Remeasurement of post-employment benefit obligations		(0.56)	
<b>B. (i) Items that will be reclassified to Profit or loss</b>			
<b>(ii) Income tax relating to items that will be reclassified to Profit or loss</b>			
<b>Total Other comprehensive income</b>		<b>(2.79)</b>	<b>(0.28)</b>
<b>Total Comprehensive Income for the period Comprising Profit (Loss) and Other comprehensive Income for the period</b>		<b>135.21</b>	<b>140.83</b>
<b>Earning per equity share (for discontinued &amp; continuing operation)</b>			
1) Basic		2.38	2.44
2) Diluted		2.38	2.44
<b>Significant Accounting Policies</b>	A-C		
<b>See accompanying Notes to the Financial Statements</b>	1 to 44		

This is the statement of profit and loss referred to in our report of even date

For J. D. Zatakia & Co.

Chartered accountants

FRN: 111777W

For and on behalf of Board of Directors

(J.D. Zatakia - Proprietor)

Membership No. 017669

Ajay R. Gehani

Managing Director

DIN-00062989

Arundhati R. Mali

Director & Chief Financial Officer

DIN-08353618

Place : Mumbai

Date : May 30, 2024

UDIN : 24017669BKCRSH5202

Akshay Jain

Company Secretary

Membership No. A53737



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

## A. Equity Share Capital

(Amount in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Balance at the beginning of the reporting year</b>	<b>578.80</b>	<b>578.80</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity Share Capital during the year	-	-
<b>Balance at the end of reporting year</b>	<b>578.80</b>	<b>578.80</b>

## B. Other Equity

(Amount in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Surplus	
<b>Balance as at 1st April, 2022</b>	<b>10.10</b>	<b>86.04</b>	<b>736.73</b>	<b>832.87</b>
Profit for the year	-	-	141.11	141.11
Other comprehensive income	-	-	(0.28)	(0.28)
<b>Total Comprehensive Income</b>	<b>10.10</b>	<b>86.04</b>	<b>877.56</b>	<b>973.70</b>
Transfer to / (from) retained earnings	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>10.10</b>	<b>86.04</b>	<b>877.56</b>	<b>973.70</b>
<b>Balance as at 1st April, 2023</b>	<b>10.10</b>	<b>86.04</b>	<b>877.56</b>	<b>973.70</b>
Profit/(Loss) for the year	-	-	138.01	138.01
Other comprehensive income	-	-	(2.79)	(2.79)
<b>Total Comprehensive Income</b>	<b>10.10</b>	<b>86.04</b>	<b>1,012.77</b>	<b>1,108.91</b>
Add: Re-measurement at fair value in respect of Leases	-	-	0.58	0.58
<b>Balance as at 31st March, 2024</b>	<b>10.10</b>	<b>86.04</b>	<b>1,013.35</b>	<b>1,109.49</b>

This is the Statement of changes in equity referred to in our report of even date

For J. D. Zatakia &amp; Co.

For and on behalf of Board of Directors

Chartered accountants

FRN: 111777W

(J.D. Zatakia - Proprietor)

Membership No. 017669

Ajay R. Gehani

Managing Director

DIN-00062989

Arundhati R. Mali

Director &amp; Chief Financial Officer

DIN-08353618

Place : Mumbai

Date : May 30, 2024

UDIN : 24017669BKCRSH5202

Akshay Jain

Company Secretary

Membership No. A53737



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>A Cash flow from operating activities :</b>		
Net Profit before tax and Extra-ordinary items	167.99	192.78
Adjustment for :		
Depreciation and amortization for the year	49.64	49.30
Finance cost	131.71	113.71
Net (profit)/loss on disposal of property, plant and equipment	-	0.47
Assets Written-off	0.44	-
Non-Operating Income	(133.18)	(1.60)
<b>Operating Profit before working capital changes</b>	<b>216.60</b>	<b>354.66</b>
<b>Operating profit before working capital changes</b>		
<b>Adjustments for:</b>		
Inventories	149.11	(119.13)
Non-current financial assets	(1.10)	(1.33)
current financial assets	0.74	-
Other current assets	(12.77)	(0.35)
Trade receivables	(111.56)	(163.57)
Trade payables	(37.27)	2.64
Non-financial liabilities	(8.21)	-
Provisions-non current	(7.18)	-
Provisions-current	(0.02)	1.61
Other current liabilities	1.42	2.82
<b>Cash generated from operating activities</b>	<b>189.75</b>	<b>77.34</b>
Less : Income Tax Paid (Net of Refund)	(49.41)	(15.55)
<b>Net cash generated from operating activities</b>	<b>140.35</b>	<b>61.79</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(55.65)	(83.66)
Proceeds from disposal of property, plant and equipment	-	0.35
Interest received	0.03	1.32
Rent received	153.51	
<b>Net cash used in investing activities</b>	<b>97.89</b>	<b>(81.99)</b>
<b>C Cash flow from financing activities:</b>		
Repayment of non current borrowings	(36.54)	(80.34)
Repayment of current borrowings	(76.35)	-
Proceeds of current borrowing	-	214.18
Interest Paid	(126.42)	(113.71)
<b>Net cash generated from financing activities</b>	<b>(239.30)</b>	<b>20.13</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(1.07)</b>	<b>(0.07)</b>
Cash and cash equivalents at the beginning of the year	3.73	3.80
<b>Cash and cash equivalents at the end of the year</b>	<b>2.66</b>	<b>3.73</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Account	2.33	3.67
Cash on Hand	0.34	0.06
	<b>2.66</b>	<b>3.73</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024****Change in Liability arising from Financing Activities**

	<b>1st April, 23</b>	<b>Cash Flow</b>	<b>31st March, 24</b>
Borrowing Non-Current	40.20	(36.54)	3.66
Borrowing Current	1,225.25	(76.35)	1,148.90

---

	<b>1st April, 22</b>	<b>Cash Flow</b>	<b>31st March, 23</b>
Borrowing Non-Current	120.55	(80.34)	40.20
Borrowing Current	1,011.06	214.18	1,225.25

Note :

- Figures in bracket represent cash outflow.
- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

**This is the Cash flow referred to in our report of even date**

**For J. D. Zatakia & Co.**  
Chartered accountants  
FRN: 111777W

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

**(J.D. Zatakia - Proprietor)**  
Membership No. 017669

**Ajay R. Gehani**  
Managing Director  
DIN-00062989

**Arundhati R. Mali**  
Director & Chief Financial Officer  
DIN-08353618

Place : Mumbai  
Date : May 30, 2024  
UDIN : 24017669BKCRSH5202

**Akshay Jain**  
Company Secretary  
Membership No. A53737

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024****A. Company information****Nature of Operations**

Sovereign Diamonds Limited (the 'Company') is a domestic public limited Company with registered office situated at 11-A, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai – 400093 and is listed on the Bombay Stock Exchange Limited (BSE). The Company is engaged in manufacturing, selling of Gold Jewellery, Diamond Studded Jewellery and Silver item.

**General information and statement of compliance with Ind AS**

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

**B. Overall consideration**

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

**Basis of preparation**

The standalone financial statements have been prepared on a going concern basis under the historical cost basis except certain financial assets and liabilities which have been measured at fair value (refer note 37 for further details).

The financial statements of the Company are presented in Indian Rupees (₹), which is also its financial currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirements of schedule III to the Act and are prepared under historical cost convention, unless otherwise stated.

**Key Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively as required.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (i) Measurement of defined benefit obligations - Note - 26
- (ii) Measurement and likelihood of occurrence of provisions and contingencies - Note - 31
- (iii) Recognition of deferred tax assets - Note - 5
- (iv) Impairment of tangibles - Note - 1

**C. Material Accounting Policy Information****a) Current versus non-current classification and Operating cycle**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,



- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## **b) Foreign currency translation**

### **Initial recognition**

Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

### **Measurement at the balance sheet date**

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### **Treatment of exchange difference**

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

## **c) Revenue recognition**

### **Sale of goods**

Revenue from the contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. Sales, as disclosed, are net of trade allowances, rebates, goods and service tax, and amounts collected on behalf of third parties.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). In respect of contracts with customers that contain a financing component i.e. when payment by a customer occurs significantly before performance and the fair value of goods provided to the customer at the end of the contract term exceeds the advance payments received, interest expense is recognized on recognition of a contract liability over the contract period and is presented under the head finance costs in statement of profit and loss and total transaction price including financing component is recognized when control of the goods is transferred to the customer.



The Company is primarily engaged in manufacturing of studded jewellery only, however it may engage in the sale of raw materials that are primarily procured for production purposes. These sales are made on an exception only if the offer prices or market conditions are both favourable to the Company.

**Satisfaction of performance obligations**

The Company's revenue is derived from the single performance obligation to transfer primarily gold and diamond products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. In respect of sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

**Interest, Dividend and Other income**

Interest income is recognised on an accrual basis using the effective interest method. Dividend are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**d) Property, plant and equipment**

**Recognition and initial measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act:

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
Buildings	30
Plant and equipment	15
Office equipment	5
Computers	3
Furniture and fixtures	10
Vehicles	8

The residual values, useful lives and method of depreciation and amortisation are reviewed at each financial year end and adjusted prospectively, if appropriate.



**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**e) Leases****Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term lease of Property, Plant and Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain purchase option). It also applies the lease of low-value assets recognition exemption to lease that are considered of low value and is not intended for sublease. Lease payments on short term lease and lease of low value assets are recognised as expenses on a straight line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

**The Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Company as a lessee**

The company applies a single recognition and measurement approach for all leases except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**f) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

**g) Financial instruments****Financial Assets****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a



party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

#### **Subsequent measurement**

**Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

#### **De-recognition of financial assets**

A financial asset is primarily de-recognised when the right to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flows from the asset.

#### **Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

##### **Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

##### **De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

##### **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income-tax effects, and not subsequently premeasured.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **h) Impairment of financial assets**

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the



difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### **Trade receivables**

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

#### **Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

#### **i) Inventories**

Raw Material: Lower of cost or net realisable value. Cost is determined on Weighted Average Cost basis

Work in progress: At cost determined on Weighted Average Cost basis up-to estimated stage of completion. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Finished goods: Lower of cost or net realisable value. Cost is determined on Weighted Average Cost basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

#### **j) Taxes on income**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act 1961. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short term highly liquid investments (original maturity less than three months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**l) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**m) Post-employment, long term and short term employee benefits.****Defined contribution plans**

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

**Defined benefit plans**

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the end of each reporting period by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the OCI in the year in which such gains or losses are determined.

**Other long-term employee benefits**

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the statement of profit and loss in the year in which such gains or losses are determined.

**Short-term employee benefits**

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**n) Operating expenses**

Operating expenses are recognised in the statement of profit and loss upon utilisation of the service or as Incurred.

**o) Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**p) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.



Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**q) Provisions, contingent assets and contingent liabilities**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

**r) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except for anti-dilutive potential equity shares.

**s) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the related disclosures.

**Significant management judgements and estimates**

The following are significant management judgements and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements:

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.



Evaluation of indicators for impairment of assets– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

**t) Capital Work-in-Progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

**u) Investment property**

Properties held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes, are categorized as investment properties. These are measured initially at cost of acquisition, including transaction costs and other direct costs attributable to bringing asset to its working condition for intended use. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on straight line basis based on expected life span of assets which is in accordance with Schedule II of the Act.

**Derecognition:**

An investment property is derecognised on disposal or on permanent withdrawal from the use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the assets(calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Standalone Statement of Profitand Loss when the asset is derecognised.

Fair value of investments properties under each category are disclosed under to the standalone financial statements. Fairvalues are determined based on the evaluation performed by an accredited external independent valuer applying a recognized and accepted valuation model or estimation based on available sources of information from market.

Transfers to or from the investment property is made only when there is a change in use and the same is made at the carrying amount of investment property.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**1. Property Plant and Equipment**

Particulars	(Amount in Lakhs)							
	Land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Total
<b>Gross block</b>								
As at 1st April, 2022	48.55	105.76	94.26	53.37	113.37	55.79	3.25	474.34
Additions	-	38.82	1.65	0.62	50.04	5.55	1.16	97.85
Deduction	-	-	6.24	-	-	5.16	-	11.40
<b>As at 31st March, 2023</b>	<b>48.55</b>	<b>144.58</b>	<b>89.67</b>	<b>53.99</b>	<b>163.41</b>	<b>56.18</b>	<b>4.41</b>	<b>560.79</b>
Additions	-	25.50	15.34	3.70	-	11.00	0.11	55.65
Deduction	-	-	1.14	2.35	-	1.87	-	5.36
<b>As at 31st March, 2024</b>	<b>48.55</b>	<b>170.08</b>	<b>103.87</b>	<b>55.34</b>	<b>163.41</b>	<b>65.31</b>	<b>4.52</b>	<b>611.09</b>

Particulars	(Amount in Lakhs)							
	Land	Buildings	Plant and machinery	Furniture fixture	Vehicles	Office equipments	Computer	Total
<b>Accumulated depreciation</b>								
As at 1st April, 2022	-	72.33	45.29	23.00	18.45	19.79	1.45	180.32
Depreciation charge during the year	-	1.25	11.32	5.05	19.32	8.83	1.03	46.80
Deduction	-	-	6.24	-	-	4.34	-	10.58
<b>As at 31st March, 2023</b>	<b>-</b>	<b>73.59</b>	<b>50.38</b>	<b>28.06</b>	<b>37.78</b>	<b>24.27</b>	<b>2.48</b>	<b>216.54</b>
Depreciation charge during the year	-	1.52	10.05	5.39	19.58	9.28	0.80	46.61
Deduction	-	-	1.06	2.11	-	1.74	-	4.92
As at 31st March, 2024	-	75.10	59.36	31.33	57.36	31.81	3.27	258.23
<b>Net carrying amount as at 31st March, 2024</b>	<b>48.55</b>	<b>94.98</b>	<b>44.51</b>	<b>24.02</b>	<b>106.05</b>	<b>33.50</b>	<b>1.24</b>	<b>352.85</b>
Net carrying amount as at 31st March, 2023	48.55	71.00	39.30	25.93	125.63	31.91	1.93	344.25

**2. Capital work-in-progress (CWIP) (Amount in Lakhs)**

Particulars	Buildings
As at 1st April, 2022	14.19
Additions	24.64
Transfer to Building	38.82
As at 31st March, 2023	-
As at 1st April, 2023	-
Additions	25.50
Transfer to Building	25.50
As at 31st March, 2024	-

During the year the Company has classified investment property under a separate schedule under Note No. 3.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**Capital work-in-progress ageing schedule as at 31st March, 2024**

(Amount in Lakhs)

Particulars	Amount of CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years.	
Project-in-progress	-	-	> 3 years.	-
Project temporarily suspended	-	-	-	-
<b>Total</b>	-	-	-	-

**Capital work-in-progress ageing schedule as at 31st March, 2023**

Particulars	Amount of CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years.	
Project-in-progress	-	-	> 3 years.	-
Project temporarily suspended	-	-	-	-
<b>Total</b>	-	-	-	-

**3. Investment Property**

(Amount in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture fixture	Vehicles	Office equipments	Computer	Total
<b>Gross block</b>	-	211.52	-	-	-	-	-	211.52
<b>As at 1st April, 2022</b>	-	211.52	-	-	-	-	-	211.52
Additions	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	-	211.52	-	-	-	-	-	211.52
Additions	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-
<b>As at 31st March, 2024</b>	-	211.52	-	-	-	-	-	211.52

Particulars	Freehold Land	Buildings	Plant and machinery	Furniture fixture	Vehicles	Office equipments	Computer	Total
<b>Accumulated depreciation</b>	-	144.67	-	-	-	-	-	144.67
<b>As at 1st April, 2022</b>	-	144.67	-	-	-	-	-	144.67
Depreciation charge during the year	-	2.50	-	-	-	-	-	2.50
Deduction	-	-	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	-	147.17	-	-	-	-	-	147.17
Depreciation charge during the year	-	3.03	-	-	-	-	-	3.03
Deduction	-	-	-	-	-	-	-	-
<b>As at 31st March, 2024</b>	-	150.20	-	-	-	-	-	150.20
<b>Net carrying amount as at 31st March, 2024</b>	-	61.32	-	-	-	-	-	61.32
<b>Net carrying amount as at 31st March, 2023</b>	-	64.35	-	-	-	-	-	64.35

During the year the Company has classified investment property under a separate schedule under Note No. 3 .




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**(i) Contractual Obligations**

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

**(ii) Amounts recognised in Profit and Loss for Investment Properties**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Rental Income	133.01	124.51
Direct Operating expenses (Incl. repairs and maintenance) from Property that generated rental income*	-	-
Direct operating expenses (incl. repairs and maintenance) from property that did not generated rental income*	-	-
<b>Profit from Investment properties before depreciation</b>	<b>133.01</b>	<b>124.51</b>
Depreciation	3.03	2.50
<b>Profit from Investment Properties</b>	<b>129.98</b>	<b>122.01</b>

\*Direct expenses in relation to investment properties cannot be separately identified and are expected to be insignificant

**Notes to Standalone Financial Statements for the year ended 31st March, 2024**
**Estimation of Fair Value**

Fair Value of freehold land and building as on 31st March, 2024 is based on fair value determined in 2018. While in 2018, the valuation was based on the fair value of entire property as no part of the building was given on lease. For year ended 31st March, 2024 and 31st March, 2023 part of the building has been given on lease. The fair values of the property were performed by Registered Valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules 2017.

A valuation model used in determination of investment property fair values is in accordance with the recommended valuation techniques by the International Valuation Standard Committee.

The valuation was done based in market feedback on values if similar properties and hence considered under "Level 2" of fair value measurement.

Impairment of plant and Machinery of ₹ Nil (₹ Nil), office equipment of ₹ Nil (₹ Nil) and Computer of ₹ Nil (₹ Nil)

**4. Other financial assets - Non-Current**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	6.50	5.39
<b>Total</b>	<b>6.50</b>	<b>5.39</b>

The above security deposits are primarily in relation to public utility services, factory permit and others.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 5. Deferred tax assets (net)

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	20.74	8.65
Deferred tax liabilities	(0.64)	-
<b>Deferred tax assets/(liabilities) (net)</b>	<b>20.10</b>	<b>8.65</b>

## Movement in deferred tax assets and liabilities for the year ended on 31st March, 2024

Particulars	As at 1st April, 2023	(Charged)/Credited		As at 31st March, 2024
		to profit and loss	to other comprehensive income	
Accelerated depreciation for tax purposes	8.65	1.45	-	10.10
Remeasurement of post-employment benefit obligation	-	(0.08)	-	(0.08)
Remeasurement of post-employment benefit obligation	-	-	(0.56)	(0.56)
Deferred tax on recognition of financial liabilities	-	10.64	-	10.64
<b>Deferred tax (expense)/benefit</b>		<b>12.01</b>	<b>(0.56)</b>	
<b>Net Deferred Tax Liabilities</b>	<b>8.65</b>			<b>20.10</b>

## 6. Other non-current assets

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Others - Unsecured, considered good</u>		
VAT Receivable	1.13	1.13
<b>Total</b>	<b>1.13</b>	<b>1.13</b>

## 7. Inventories

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
At lower of cost or net realisable value		
Raw materials	1,252.88	1,036.23
Work-in-progress	371.26	641.58
Finished goods	100.91	194.44
Stores and spares	8.54	10.45
<b>Total</b>	<b>1,733.59</b>	<b>1,882.70</b>

For details of inventories given as security against borrowings refer Note No.18(i).



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 8. Trade receivables

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Trade Receivables</b>		
Considered Good-Secured	-	-
Considered Good-Unsecured	937.62	826.07
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired.	-	-
<b>Total</b>	<b>937.62</b>	<b>826.07</b>

There are no outstanding trade receivables from any directors or other officers of the Company or any of them either severally or jointly with any other person.

## 8. Trade receivables

Ageing for trade receivables-current outstanding as at 31st March, 2024 is as follows:

31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	<6 months	> 6 months-1 years	1-2 years	2-3 years.	> 3 years.	
(i) Undisputed Trade receivables-						
- Considered good	937.62	-	-	-	-	937.62
- which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
ii) Disputed Trade Receivables-						
- Considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>937.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>937.62</b>

## 8 Trade receivables

Ageing for trade receivables-current outstanding as at 31st March, 2023 is as follows:

31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	<6 months	> 6 months-1 years	1-2 years	2-3 years.	> 3 years.	
(i) Undisputed Trade receivables-						
- Considered good	826	-	-	-	-	826
- which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Outstanding for following periods from due date of payment					
	<6 months	> 6 months-1 years	1-2 years	2-3 years.	> 3 years.	
ii) Disputed Trade Receivables-						
- Considered good	-	-	-	-	-	-
- which have significant increase in						
- Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>826</b>					<b>826</b>

## 9. Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks		
- In Current Accounts	2.33	3.67
Cash on hand	0.34	0.06
<b>Total</b>	<b>2.66</b>	<b>3.73</b>

## 10. Loans

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Other Loans receivables- Considered Good- Unsecured</u>		
-Loans to Employees	0.72	1.20
-Loans to Others	-	0.25
<b>Total</b>	<b>0.72</b>	<b>1.45</b>

## 11. Current tax assets (Net)

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Income Tax (Net of provision for taxation Rs. 42.00 Lakhs; 31st March, 2023 Rs. 48.00 Lakhs)	8.95	1.54
<b>Total</b>	<b>8.95</b>	<b>1.54</b>

## 12. Other current assets

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Unsecured, considered good</u>		
Prepaid expenses	6.37	6.34
Others	5.33	-
<b>Total</b>	<b>11.70</b>	<b>6.34</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 13. Equity Share Capital

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised Share Capital:</b> 60,00,000 Equity Shares of ₹ 10 each (31st March, 2023: 60,00,000 Equity Shares of ₹ 10 each)	600.00	600.00
	<b>600.00</b>	<b>600.00</b>
<b>Issued, subscribed &amp; fully paid up :</b> 57,88,002 Equity Shares of ₹ 10 each (31st March, 2023: 57,88,002 Equity Shares of ₹ 10 each)	578.80	578.80
<b>Total</b>	<b>578.80</b>	<b>578.80</b>

## (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Shares at the beginning of the year		
- Number of shares	57.88	57.88
- Amount (₹)	578.80	578.80
Add : Addition/(deduction) during the year :		
- Number of shares	-	-
- Amount (₹)	-	-
Equity Shares at the end of the year		
As per our observation	57.88	57.88
- Amount (₹)	<b>578.80</b>	<b>578.80</b>

## (ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of ₹ 1 per share. Each shareholder is eligible for one vote per share.

The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However no such dividend has been declared during the year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## (ii) The details of shareholders holding more than 5% shares (as per the register of members of the Company are as under)

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares	% held	No of Shares	% held
	Equity shares of ₹10/- per share		Equity shares of ₹10/- per share	
Ajay Ramesh Gehani	34,76,275	60.06%	34,76,275	60.06%
Sumer Ajay Gehani	2,86,469	4.95%	2,86,469	4.95%

\*as per the records of the Company, including its register of members


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(iii) Details of Promoter holding (as per the register of members of the Company as under) :

Name of Shareholder	As at 31st March, 2024			As at 31st March, 2023	
	No of Shares	% held	% of change	No of Shares	% held
	Equity shares of ₹10/- per share			Equity shares of ₹10/- per share	
Ajay Ramesh Gehani	34,76,275	60.06%	0.00%	34,76,275	60.06%
Sumer Ajay Gehani	2,86,469	4.95%	0.00%	2,86,469	4.95%

\*as per the records of the Company, including its register of members

**14. Other Equity**
**(Amount in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Capital Reserve</b>		
as per last Balance Sheet	10.10	10.10
	<b>10.10</b>	<b>10.10</b>
<b>General Reserve</b>		
as per last Balance Sheet	86.04	86.04
Add: Transferred from profit and loss account	-	-
Add: Transfer to fixed assets	-	-
	<b>86.04</b>	<b>86.04</b>
<b>Retained Earning</b>		
as per last Balance Sheet	877.56	736.73
Add : Profit/(Loss) for the year	135.21	140.83
Add : Re-measurement at fair value in respect of Leases	0.58	-
	1,013.35	877.56
Less : Transferred to general reserve	-	-
	<b>1,013.35</b>	<b>877.56</b>
<b>Total</b>	<b>1,109.49</b>	<b>973.70</b>

**15. Non Current Borrowings**
**(Amount in Lakhs)**

Particulars	Interest rate	Maturity date	As at 31st March, 2024	As at 31st March, 2023
Term loans(Secured)				
Vehicle loan from (refer note (i))	9.75%	April - 2024	-	1.44
Vehicle loan from (refer note (i))	9.75%	June - 2025	3.66	17.36
Guaranteed Emergency Credit Line (GECL)				
term loans from bank (refer note (ii))	9.25%	June - 2024	-	21.41
<b>Total</b>			<b>3.66</b>	<b>40.20</b>

(i) Vehicle loans obtained from financial institutions are secured against hypothication of Vehicles.

(ii) Guaranteed Emergency Credit Line (GECL) term Loans obtained from HDFC bank is secured against specific plant and machineries.

(iii) The Company has utilized the borrowings for the purpose for which they are obtained.

**(iv) Terms of repayment:**

- The outstanding vehicle loans are repayable in 36 equal installments commencing from July 7, 2022.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**16. Non-current other financial liabilities -**
**(Amount in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposit*	24.79	33.00
<b>Total</b>	<b>24.79</b>	<b>33.00</b>

\*This includes lease deposits from lessee.

**17. Non-current Provisions**
**(Amount in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (refer note 27) - Gratuity	0.12	0.99
<b>Total</b>	<b>0.12</b>	<b>0.10</b>

**18. Current Borrowings**
**(Amount in Lakhs)**

Particulars	Interest rate	Maturity date	As at 31st March, 2024	As at 31st March, 2023
Loan repayable on demand Secured				
Cash credit facilities (refer note (i))	8.45% to 10.79%	Renewed in Feb 2024	1,113.79	1,115.27
Vehicle loan from (refer note (ii))	9.75%	April - 2024	-	16.35
Vehicle loan from (refer note (ii))	9.75%	June -2025	13.70	12.28
Guaranteed Emergency Credit Line (GECL)				
term loans from bank (refer note (iii))	8.25%	June - 2024	21.41	81.36
<b>Total</b>			<b>1,148.90</b>	<b>1,225.25</b>

- (i) Secured by first hypothecation charges on the entire stocks and book debts and all other current assets both present and future in the name of the company and Industrial property at 11-A, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.
- (ii) Vehicle loans obtained from financial Services are secured against hypothecation of Vehicles.
- (iii) Guaranteed Emergency Credit Line (GECL) term Loans obtained from HDFC bank is secured against specific plant and machineries. Such loans are repayable in 48 installments commencing from July 7, 2020.
- (iv) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities which are in agreement with the books of account other than those as set out below.

Name of the Bank	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per the books of account	Difference
HDFC Bank Ltd	Jun-2023	1,766.52	1,766.52	-
HDFC Bank Ltd	Sept-2023	1,769.37	1,770.38	(1.01)
HDFC Bank Ltd	Dec-2023	1,807.52	1,807.52	-
HDFC Bank Ltd	Mar-2024	1,725.04	1,725.04	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 19. Trade payables

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro and small enterprises	22.03	4.49
Total outstanding dues of creditors other than micro and small enterprises	187.34	242.15
<b>Total</b>	<b>209.37</b>	<b>246.64</b>

## 19. Trade payables

31st March, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 yrs	1-2 years	2-3 years.	> 3 years.	
(i) MSME	22.03	-	-	-	22.03
(ii) Others	187.34	-	-	-	187.34
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>209.37</b>	-	-	-	<b>209.37</b>

## 19. Trade payables

31st March, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 yrs	1-2 years	2-3 years.	> 3 years.	
(i) MSME	4.49	-	-	-	4.49
(ii) Others	242.15	-	-	-	242.15
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>246.64</b>	-	-	-	<b>246.64</b>

## Details of Dues to Micro, Small &amp; Medium Enterprises as defined under MSMED Act, 2006

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal amount remaining unpaid to any supplier as at the period end	22.03	4.49
Interest due thereon	7.79	6.34
Amount of interest paid by the Group in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.		-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006		-
Amount of interest accrued and remaining unpaid at the end of the accounting period		-





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	As at 31st March, 2024	As at 31st March, 2023
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006		-

**20. Other Current Financial Liabilities** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits*	17.48	24.66
<b>Total</b>	<b>17.48</b>	<b>24.66</b>

\*This includes lease deposits from lessee.

**21. Other current liabilities** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory dues	4.10	5.56
Deferred Income	14.28	-
Advance from customer	5.60	-
Other employee payables	11.50	10.09
Other payables	7.79	6.34
<b>Total</b>	<b>43.28</b>	<b>21.98</b>

**22. Current Provisions** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (refer note 27)		
- Gratuity	1.24	1.26
<b>Total</b>	<b>1.24</b>	<b>1.26</b>

**23. Revenue From Operation** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Sale of products</b>		
Export Sale	45.15	32.04
Local Sales	2,664.20	2,748.70
<b>Total</b>	<b>2,709.34</b>	<b>2,780.73</b>

**24. Other Income** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Interest Income</b>	0.03	1.32
<b>Other non-operating income</b>		
Rent Income	133.01	124.51
Miscellaneous Income	-	0.25
<b>Total</b>	<b>133.04</b>	<b>126.09</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**25. Cost of material consumed**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening stock of raw materials	1,036.23	1,086.48
Add : Purchases		
i) Gold	609.41	773.49
ii) Diamond	1,242.17	1,358.09
iii) Precious Stone	4.68	38.37
iv) Semi Precious Stone	1.87	0.09
v) Silver	0.14	0.37
	<u>2,894.49</u>	<u>3,256.90</u>
Less : closing stock of raw materials	1,252.88	1,036.23
<b>Total</b>	<b><u>1,641.62</u></b>	<b><u>2,220.67</u></b>

**26. Changes in inventories of finished goods, Stock-in-Trade and work-in-progress**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Stock :		
- Finished Goods	194.44	87.23
- Work-In-Progress	641.58	582.96
	<u>836.02</u>	<u>670.19</u>
Less : Closing Stock :		
- Finished Goods	100.91	194.44
- Work-In-Progress	371.26	641.58
	<u>472.17</u>	<u>836.02</u>
<b>Total</b>	<b><u>363.85</u></b>	<b><u>(165.83)</u></b>

**27. Employee benefit expense**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Salaries and wages	187.75	169.62
Contribution to provident and other funds	12.55	13.34
Staff welfare expense	9.13	7.15
<b>Total</b>	<b><u>209.43</u></b>	<b><u>190.11</u></b>

(i) As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

Defined Contribution Plan :

**Contribution to Defined Contribution Plans, recognised as expense for the year is as under :**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contribution to Provident fund	9.83	9.99
ESIC and Labour welfare fund	0.08	0.21



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## Defined Benefit Plan

## Gratuity and Leave Encashment:

The Company makes partly annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

Particulars	Gratuity	
	31st March, 2024	31st March, 2023
<b>a) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
<i>Defined Benefit Obligation at beginning of the year</i>	18.91	17.30
Current Service Cost	1.70	1.57
Interest Cost	1.38	1.17
Benefits Paid	(0.53)	(1.42)
Actuarial (Gain) / Loss	2.25	0.29
<i>Defined Benefit Obligation at year end</i>	<b>23.71</b>	<b>18.91</b>
<b>b) Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
<i>Fair value of Plan Assets at beginning of year</i>	17.55	14.07
Expected Return on Plan Assets	1.43	1.08
Actuarial Gain / (Loss)	0.02	0.01
Employer Contribution	3.89	3.82
Benefits Paid	(0.53)	(1.42)
Admin expenses /Taxes paid from plan assets	-	-
<i>Fair value of Plan Assets at year end</i>	<b>22.36</b>	<b>17.55</b>
Actual return on Plan Assets	1.44	1.08
<b>c) Reconciliation of fair value of Assets and Obligations</b>		
Fair value of Plan Assets	22.36	17.55
Present value of Obligation	23.71	18.91
Net asset/(liability) recognized in Balance Sheet	<b>(1.35)</b>	<b>(1.35)</b>
<b>d) Expenses recognised during the year</b>		
<i>In Income Statement</i>		
Current Service Cost	1.70	1.57
Interest Cost	1.38	1.17
Administrative Expenses/Taxes/Insurance Cos	-	-
Return on Plan Assets	(1.43)	(1.08)
<i>Net Cost</i>	<b>1.65</b>	<b>1.66</b>
<i>In Other Comprehensive Income</i>		
Actuarial (Gain) / Loss	2.25	0.29
Return On Plan Assets	(0.02)	(0.01)
<i>Net (Income)/ Expense for the period Recognised in OCI</i>	<b>2.23</b>	<b>0.28</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Gratuity	
	31st March, 2024	31st March, 2023
<b>e) Remeasurement effects recognized in other comprehensive income</b>		
Actuarial (gain)/losses due to demographic assumption changes in DBO	-	-
Actuarial (gain)/losses due to financial assumption changes in DBO	0.26	(0.40)
Actuarial (gain)/losses due to experience on DBO	1.99	0.69
Return on Plan Assets (Greater)/less than Discount rate	(0.02)	(0.01)
Total actuarial (gain)/loss included in OCI	<b>2.23</b>	<b>0.28</b>
<b>Defined Benefit Cost</b>		
Cost Recognised in P&L	1.65	1.66
Remeasurement Effect Recognised in OCI	2.23	0.28
Total Defined Benefit Cost	<b>3.89</b>	<b>1.94</b>
Amount not recognised as an assets	-	-
<i>Net Expenses OCI</i>	<b>3.89</b>	<b>1.94</b>
Remeasurement of the net defined benefit plans:		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	<b>0.26</b>	<b>(0.40)</b>
Actuarial (Gain)/ Losses due to Experience on DBO	<b>1.99</b>	<b>0.69</b>
Return on Plan Assets (Greater) / Less than Discount rate	<b>(0.02)</b>	<b>(0.01)</b>
Total Accrual Gain / Loss included in Other Comprehensive Income	<b>2.23</b>	<b>0.28</b>

Assumptions	Gratuity	
	31st March, 2024	31st March, 2023
Discount Rate	7.23%	7.42%
Expected return on assets	7.42%	7.04%
Salary Escalation	5.00%	5.00%
Attrition Rate	11.87%	11.87%
Mortality		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

**28. Finance costs****(Amount in Lakhs)**

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Interest expense	131.71	113.71
<b>Total</b>	<b>131.71</b>	<b>113.71</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 29. Other expenses

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Manufacturing Expenses</b>		
Consumption of Tools	25.11	21.72
Assortment, Certification, Designing Charges	3.88	4.67
Electricity Charges	8.88	9.29
Labour Charges	18.98	22.04
Repairs to Building & Machinery	-	0.35
	-	-
<b>Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	0.39	1.71
Clearing & Forwarding Charges	1.25	2.22
Exhibition Expenses	35.99	40.32
Commission & Brokerage	-	5.51
Sales Promotion	38.78	38.67
	-	-
<b>Establishment Expenses</b>		
Bank Charges	3.31	3.76
Professional Charges	15.53	9.11
General Expenses	20.90	22.13
Insurance	14.34	12.94
Rates & Taxes	5.99	6.92
Travelling & Conveyance Expenses	40.66	52.72
Payment to Auditors (refer note 36)	2.50	1.75
Donation	7.16	10.00
Printing & Stationery	1.98	2.24
Repairs & Maintenance (Others)	8.22	11.49
Security Expenses	12.10	11.78
Telephone Expenses	1.29	1.16
Vehicle Expenses	8.78	11.77
Director Sitting Fees	1.13	1.13
Net loss on foreign currency transaction and translation	0.02	-
Loss on sales of Property, plant and equipment	-	0.47
Assets written-off	0.44	-
	-	-
<b>Statutory Expenses</b>		
Profession Tax	0.03	0.03
Sales & Other	0.49	0.16
<b>Total</b>	<b>278.14</b>	<b>306.07</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## 30. Current tax

## (a) Income-tax expense through the statement of profit and loss

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Current tax :</b>		
Current tax on profits for the year	42.00	48.00
short/excess provision for tax of prior periods	-	-
	<b>42.00</b>	<b>48.00</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(12.01)	3.67
	-	-
	<b>(12.01)</b>	<b>3.67</b>
	-	-
<b>Total tax expense</b>	<b>29.99</b>	<b>51.67</b>

## (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Accounting profit before income-tax :</b>	167.99	192.78
Applicable Indian statutory income-tax rate	0.00	0.00
Computed expected tax expense	<b>42.28</b>	<b>48.52</b>
Tax effect of :		
Expenses disallowed	-	14.71
Expenses allowed	-	(14.40)
Effect of deductible expenses	42.28	(42.59)
Excess tax adjustment	-	-
<b>Current tax provision</b>	<b>-</b>	<b>6.24</b>
	-	-
Incremental deferred tax liability on account of tangible and intangible assets	(12.01)	3.67
<b>Deferred tax provision</b>	<b>(12.01)</b>	<b>3.67</b>
	-	-
<b>Income-tax expense reported in the statement of profit and loss (net)</b>	<b>(12.01)</b>	<b>9.91</b>
At the effective income tax rate of 25.168 % (31st March 2023 : 25.168 %)	(12.01)	9.91

## 31. Contingent Liabilities and Commitments

## (i) Contingent Liabilities

## a) Other money for which the company is contingently liable.

The company have deposited a sum of Rs. 5.60- Lakh with Bombay High Court towards the recovery suit pending against the company. The Company have provided a sum of Rs. 2.75 Lakh in the account & balance amount of Rs. 2.85 Lakh is kept as deposit with Honourable High Court. This is pending since year 1993.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

### 32. Lease Transactions

#### Company as a lessee

The Company has not entered into any leasing agreement where the company is identified as a lessee.

#### Company as a Lessor

The Company has leased out building under non-cancellable operating leases. These leases have terms of between 1-5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total lease rentals recognised as income during the year is ₹ 133.01 Lakh. (Year ended 31st March 2023: ₹ 124.51 Lakh).

The following table sets out a maturity analysis of lease payments, showing the undiscounted Lease payments to be received after the reporting date.

(Amount in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Less than one year	110.36	127.59
One to two years	76.54	110.36
Two to three years	80.37	76.54
Three to four years	-	80.37
Four to five years	-	-
More than five years	-	-
<b>Total Undiscounted</b>	<b>267.28</b>	<b>394.87</b>

#### Notes:

- The Company has not identified any lease income relating to variable lease payments that depend on an index or a rate.
- The Company have not entered into any buy-back agreement or have received residual value guarantee or variable lease payments for use in excess of specified limits.

### 33. Earnings per equity share

(Amount in Lakhs)

#### Basic & Diluted Earnings Per Share (EPS)

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
i) Profit attributable to Equity Shareholders of the company (Amount in Lakhs)	138.01	141.11
ii) Weighted average number of equity shares outstanding during the year	57.88	57.88
iii) Basic Earnings per Share (Rs.)	2.38	2.44
iv) Diluted Earnings per Share (Rs.)	2.38	2.44
v) Face Value per Equity Shares	10.00	10.00

### 34. Segment Information

The Chief Operating Decision Maker (CODM) of the company examines the performance from the perspective of the company as a whole viz "Jewellery Business" and hence there are no separate reportable segments as per Ind AS 108. There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31<sup>st</sup>, 2024 and 31st March, 2023 respectively, revenue from transactions with a single external customer did not amount to 10 percent or more of the company's revenue from the external customers.


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**35. Related Party Disclosures :**

As per Ind AS-24 Related Party Disclosures, the related parties of the Company are as follows:

**A) Name of related parties and nature of relationships:**
**a) Holding Company:**

i) Not applicable

**b) Deemed Holding Company by virtue of control of the composition of the Board of Directors**

i) Not applicable

**c) Subsidiary:**

i) Not applicable

**d) Associate Entities with whom transactions have taken place during the year**

i) Not Applicable

**e) Key Management Personnel**

i)	Mr. Ajay R. Gehani	Managing Director
ii)	Mrs. Arundhati Mali	Whole Time Director
iii)	Mr. Rajesh Arora	Independent Director
iv)	Mr. Mohanram Pai	Independent Director

**f) Relatives of Key Management Personnel**

i)	Mrs. Deepika A. Gehani	Wife of Director
ii)	Mr. Sanjay R. Gehani	Brother of Director
iii)	Mrs. Rani R. Gehani	Mother of director

**g) Enterprises over which persons in (e) are able to exercise significant influence**

- i) Sovereign Jewellery Pvt. Ltd.
- ii) Ras Family Trust
- iii) R. B. Hotchand Hiranand Foundation

**B) Details of transaction between the Company and its related parties are disclosed below:**

(Amount in Lakhs)

Sr. No.	Nature of Transactions	Associates		Key Managerial Personnel	
		31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
<b>Transactions during the year</b>					
i)	<b>Remuneration paid :</b> Mr. Ajay R. Gehani	-	-	36.00	36.00
ii)	<b>Professional Charges paid :</b> Mrs. Arundhati Mali	-	-	3.96	3.45
iii)	<b>Sales of goods :</b> Sovereign Jewellery Pvt. Ltd.	82.67	111.64	-	-
iv)	<b>Rent Received :</b> Sovereign Jewellery Pvt. Ltd.	3.00	3.00	-	-





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Sr. No.	Nature of Transactions	Associates		Key Managerial Personnel	
		31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
v)	<b>Purchase of goods :</b> Sovereign Jewellery Pvt. Ltd.	1.21	5.12	-	-
vi)	<b>Loan Taken and Repaid :</b> Sovereign Jewellery Pvt. Ltd.	26.50	8.70	-	-
vii)	<b>Directors' Sitting Fees :</b>				
	Mr. Rajesh Arora	-	-	0.38	0.38
	Mr. Mohanram Pai	-	-	0.38	0.38
	Mrs. Arundhati Mali	-	-	0.38	0.38

Sr. No.	Nature of Transactions	Associates		Key Managerial Personnel	
		31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
i)	<b>Balance outstanding at the year end</b>	Nil	Nil	Nil	Nil

\* Keyman Insurance Premium of Rs. 7.50 Lakhs paid for a Director is not included in above.

\* Medclaim premium paid Rs. 0.98 Lakhs for Director is not included above.

**36. Payment to Auditors as:****(Amount in Lakhs)**

Particulars		As at 31st March, 2024	As at 31st March, 2023
i)	As Auditors	1.00	0.75
ii)	Tax Audit Fees	0.50	0.50
iii)	Income Tax Fees	1.00	0.50
	<b>Total</b>	<b>2.50</b>	<b>1.75</b>

**37. Fair Value Measurement****i) Financial Instruments by Cartagory :****(Amount in Lakhs)**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets :</b>				
Loans				
- security deposits	-	-	-	-
- other body corporates	-	6.50	-	5.39
Trade receivables	-	937.62	-	662.50
Cash and cash equivalents	-	2.66	-	3.73
<b>Total</b>	-	<b>946.78</b>	-	<b>671.62</b>
<b>Financial Liabilities</b>				
Borrowings	-	1,152.56	-	1,265.45
Other financial liabilities	-	24.79	-	33.00
Trade payables	-	209.37	-	244.01
<b>Total</b>	-	<b>1,386.72</b>	-	<b>1,542.45</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

### 38. Financial Risk Management

#### i) risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	The gold is purchase at the prevailing price from nominated agencies.
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

#### A) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Detail of trade receivables that are past due is given below: **(Amount in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Not due		
0-30 days past due	386.83	256.83
31-60 days past due	115.04	117.01
61-90 days past due	120.92	137.72
More than 90 days past due	314.84	314.50
<b>Total</b>	<b>937.63</b>	<b>826.07</b>

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Expiring within one year (bank overdraft and other facilities)	1,148.90	1,225.25
Expiring beyond one year (bank loan)	3.66	40.20
<b>Total</b>	<b>1,152.56</b>	<b>1,265.45</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

**Contractual maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(Amount in Lakhs)

As at 31st March, 2024	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings	1,113.79	35.10	3.66	-	-	1,152.56
Trade payable		209.37				209.37
Other financial liabilities	-	-	-	-	33.00	33.00
<b>Total</b>	<b>1,113.79</b>	<b>319.35</b>	<b>3.66</b>	<b>-</b>	<b>33.00</b>	<b>1,506.34</b>

As at 31st March, 2023	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings	1,115.27	109.98	36.54	3.66	-	1,265.45
Trade payable	-	246.64	-	-	-	246.64
Other financial liabilities	-	-	-	-	57.66	57.66
<b>Total</b>	<b>1,115.27</b>	<b>356.62</b>	<b>36.54</b>	<b>3.66</b>	<b>57.66</b>	<b>1,569.75</b>

**C) Market risk - foreign exchange**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

**Below is the summary of Expenditure In Foreign Currency:**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i) Expenditure		
a) Foreign Travels	23.91	32.73
b) Exhibition Charges	Nil	Nil

**Below is the summary of Earnings In Foreign Exchange:** (Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i) F.O.B.Value of Exports	43.51	29.82



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

### D) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Variable rate borrowing	1,113.79	1,115.27
Fixed rate borrowing	38.77	150.18
<b>Total Borrowings</b>	<b>1,152.56</b>	<b>1,265.45</b>

#### Sensitivity

As at March 31, 2024 and March 31, 2023, financial liabilities of Rs. 1,114 Lakh and Rs. 1,115.27 Lakh respectively, were subject to variable interest rates. Increase/decrease of 50 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 6 Lakh - and Rs. 6 Lakh for the year ended March 31, 2024 and March 31, 2023 respectively.

#### ii) Assets

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### E) Price risk

#### Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by Rs. 135.47 Lakh (previous year Rs. 139.04 Lakh).

#### Exposure from trade payables:

The Company's exposure to price risk also arises from trade payables of the Company that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

### 39. Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.



The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

40. While verifying the physical stock on 5th July, 2019 the management realized shortage of Gold as compared to stock as per books. The management suspected an old employee of the Company who misappropriated certain quantity of stock. An old employee also confessed before management his misappropriation of Gold. The management lodged police complaint against old employee. The Police Department is inquiring and trying to recover as much as possible from said employee.

The loss arising on account of this misappropriation is at 900 gms of gold value about Rs. 30.00 Lakhs has been charged to profit and loss account during the year 2019-20.

#### 41. Corporate Social Responsibility

Section 135 of The companies Act 2013 is not applicable to the company for current financial year and previous financial year.

#### 42 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for any Benami property.
- (ii) The title deeds of immovable properties are held in the name of the Company.
- (iii) The Company does not have any transaction with companies struck off.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities  
(Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,



- (ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (x) The company does not have any undisclosed income in the tax assessments under Income tax Act, 1961.
- (xi) The company has not entered into any Scheme of Arrangement under section 230 to 237 of the Companies Act, 2013.

**43 Disclosure with respect to ratio, refer Annexure “A”**

**44** The figures of previous year have been regrouped/rearranged wherever considered necessary. The Company has disclosed all the additional requirements as per Revised Schedule III to the extent applicable.

**44 Annexure “A” to the Financial Statements - Disclosure with respect to Ratio  
As at 31st March, 2024**

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
			2023-2024	2022-2023		
(a) Current Ratio	Current Assets	Current Liability	1.90	1.79	5.96%	-
(b) Debt Equity Ratio	Borrowings+ Interest Accrued	Total Equity	0.68	0.82	-16.25%	-
(c) Debt Service Coverage Ratio	Net Profit after Tax + Depreciation+ Interest+loss on sale of Fixed Assets	Debt Service = Interest & Lease payments+ Principal Repayments	1.32	1.98	-33.42%	There is decrease in Net Profit after tax which has resulted into decrease in Debt Service Coverage Ratio.
(d) Return on Equity Ratio	Net Profit after Tax-Prefence Dividend (if any)	Average Shareholder's Equity	0.10	0.09	8.54%	-
(e) Inventory turnover ratio	Cost of Goods sold or Sales	Average Inventory(Opening Inventory + Closing Inventory ) /2	1.43	2.09	-31.45%	There is decrease in Turnover which has resulted into lower Inventory Turnover Ratio.
(f) Trade Receivables Turnover ratio	Net Credit Sales	Average Accounts Receivables	3.07	3.74	-17.77%	-
(g) Trade Payables turnover	Net Credit Purchases	Average Trade Payables	12.69	8.85	43.49%	-
(h) Net Capital turnover ratio	Net Sales	Working Capital	2.13	2.31	-8.14%	-



Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
			2023-2024	2022-2023		
(i) Net Profit Ratio	Net Profit	Net Sales	0.06	0.07	-10.56%	-
(j) Return on Capital Employed	Earning before interest and taxes	Capital Employed	0.18	0.20	-10.08%	-
(k) Return on investment	Net Profit after Tax	Total Equity	0.08	0.09	-10.07%	-

**As at 31st March, 2023**

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
			2022-2023	2021-2022		
(a) Current Ratio	Current Assets	Current Liability	1.79	1.93	-7.21%	-
(b) Debt Equity Ratio	Borrowings+ Interest Accrued	Total Equity	0.82	0.80	1.68%	-
(c) Debt Service Coverage Ratio	Net Profit after Tax + Depreciation+ Interest+loss on sale of Fixed Assets	Debt Service = Interest & Lease payments+ Principal Repayments	1.98	1.64	21.01%	-
(d) Return on Equity Ratio	Net Profit after Tax-Prefence Dividend (if any)	Average Shareholder's Equity	0.09	0.09	-3.75%	-
(e) Inventory turnover ratio	Cost of Goods sold or Sales	Average Inventory(Opening Inventory + Closing Inventory )/2	2.09	1.53	36.78%	There is increase in turnover which has resulted into higher Inventory Turnover Ratio.
(f) Trade Receivables Turnover ratio	Net Credit Sales	Average Accounts Receivables	3.74	4.34	-13.91%	-
(g) Trade Payables turnover	Net Credit Purchases	Average Trade Payables	8.85	8.92	-0.82%	-
(h) Net Capital turnover ratio	Net Sales	Working Capital	2.26	1.91	18.32%	-
(i) Net Profit Ratio	Net Profit	Net Sales	0.07	0.06	21.67%	-





Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
			2022-2023	2021-2022		
(j) Return on Capital Employed	Earning before interest and taxes	Capital Employed	0.20	0.16	27.24%	Due to higher operating income, the return on capital employed has increased. Not Applicable
(k) Return on investment	Net Profit after Tax	Total Equity	0.09	0.09	-3.75%	-

**This is the balance sheet referred to in our report of even date**

**For J. D. Zatakia & Co.**  
Chartered accountants  
FRN: 111777W

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

**(J.D. Zatakia - Proprietor)**  
Membership No. 017669

**Ajay R. Gehani**  
Managing Director  
DIN-00062989

**Arundhati R. Mali**  
Director & Chief Financial Officer  
DIN-08353618

Place : Mumbai  
Date : May 30, 2024  
UDIN : 24017669BKCRSH5202

**Akshay Jain**  
Company Secretary  
Membership No. A53737







**SOVEREIGN DIAMONDS LIMITED**

Sovereign House,  
11-A, Mahal Industrial Estate,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093.