



Sovereign®

Diamonds Ltd. Since 1974



43rd
ANNUAL REPORT
2016 - 2017

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2016 - 2017

Sovereign Diamonds Limited

BOARD OF DIRECTORS

Mr. Ramesh H. Gehani : Executive Chairman
Mr. Ajay R. Gehani : Managing Director
Mrs. Deepika Gehani : Whole-Time Director & CFO
Mr. Mohanram Pai : Independent Director
Mr. Rajesh Arora : Independent Director

AUDIT COMMITTEE

Mr. Mohanram Pai
Mr. Rajesh Arora
Mr. Ajay R. Gehani

NOMINATION &

REMUNERATION COMMITTEE

Mr. Mohanram Pai
Mr. Rajesh Arora
Mr. Ajay R. Gehani

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Mohanram Pai
Mr. Rajesh Arora
Mr. Ajay R. Gehani

BANKERS

Corporation Bank

STATUTORY AUDITORS

M/s. J. D. Zatakia & Co.
306, Rupa Plaza, Jawahar Road,
Ghatkopar (E), Mumbai- 400077.

CONTENTS

Notice
Board's Report
Management Discussion
and Analysis Report
Secretarial Audit Report
Corporate Governance
Auditor's Report
Balance Sheet
Statement of Profit and Loss
Cash Flow Statement
Notes to Accounts
Financial Performance Highlight

REGISTERED OFFICE

Sovereign House,
11-A, Mahal Industrial Estate,
Mahakali Caves Road, Andheri (East)
Mumbai: 400 093
Ph No: 022 6692 3871
Fax No: 022 6692 3880

REGISTRAR & TRANSFER AGENTS

M/s. Universal Capital Securities
Private Limited
Address: 21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road, Mumbai: 400 093.
Tel. No: 022 2820 7201 / 03 / 04 / 05
Fax No: 022 2820 7207

43RD ANNUAL GENERAL MEETING

On Saturday, 29th July, 2017 at
10.30 a.m. at Tunga Regale Hotel,
P-31, Central Road, MIDC,
Andheri (E), Mumbai - 400093.

As a measure of economy the shareholders attending the Annual General Meeting are requested to bring along with them this copy of the Annual Report.



NOTICE

NOTICE is hereby given that the Forty – Third Annual General Meeting of the members of **SOVEREIGN DIAMONDS LIMITED** will be held on Saturday, 29th July, 2017 at 10.30 a.m. at Tunga Regale Hotel, P-31, Central Road, MIDC, Andheri (E), Mumbai - 400093, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ramesh Gehani (DIN No.: 00062969), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. Pulindra Patel & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 115187W, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditor M/s. J. D. Zatakia & Co., Chartered Accountants, the outgoing auditors who has completed his term as auditor pursuant to Section 139(2) of the Act at the end of conclusion of the 43rd Annual General Meeting, be appointed as auditors of the company to hold office from the conclusion of the 43rd Annual General Meeting till the conclusion of the 48th Annual General Meeting to be held in the financial year 2021 – 22 subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS:

4. To re-appoint Mr. Ajay Gehani (DIN No.: 00062989) as Managing Director and payment of remuneration and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment and payment of remuneration and perquisites to Mr. Ajay Gehani as Managing Director of the Company for a period of five years with effect from 1st April, 2017 to 31st March, 2022.

RESOLVED FURTHER THAT Mr. Ajay Gehani shall be paid remuneration of Rs. 3,00,000/- per month including the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for yearly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

RESOLVED FURTHER THAT the terms and conditions of re-appointment shall be as per the letter of re-appointment as approved by the Board at its meeting held on 11th February, 2017 be and is hereby approved.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration to the extent the Board of Directors may consider appropriate and as may be authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Ajay Gehani shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed there under provided that the terms of the letter of re-appointment between the Company and Mr. Ajay Gehani shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Ajay Gehani as Managing Director of the Company, the remuneration and perquisites set out in the aforesaid letter of re-appointment be paid or granted to him as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II(A) of Schedule V to the said Act or such other amount and perquisites as may be provided in the said Schedule V whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution."

NOTES:

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses mentioned under Item Nos. 3 and 4 of the accompanying Notice is annexed hereto.
2. A statement giving the additional details of the Director seeking appointment and Director seeking re-appointment as set out in the Resolution at Item Nos. 2 and 4 of the accompanying Notice is annexed herewith as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting.
3. **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. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 10.30 a.m. on Thursday, 27th July, 2017. As per Secretarial Standard 2 on General Meeting, the proxy should carry a valid photo-id card to the venue to tender vote.**
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. 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 Meeting.



8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. 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 Saturday, 22nd July, 2017 to Saturday, 29th July, 2017 (both days inclusive).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
11. Members desiring any relevant information on the Accounts at the Annual General Meeting 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 the Managing Director, Mr. Ajay Gehani (agehani66@gmail.com)
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
 - i. Any change in their address and
 - ii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
13. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, etc.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH – 13 for this purpose.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
16. Information required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting relating to Documents & Information to the Shareholders with respect to the Director re-appointed and Director retiring by rotation and being eligible, seeking re-appointment is as under:

Item No. 2:**Mr. Ramesh Gehani (DIN No.: 00062969)**

Mr. Ramesh Gehani is associated with Sovereign Diamonds Limited since its inception. He has been classified as one of the Promoter of the Company at the time of Public Issue. He has vast experience in Diamonds and Jewellery for last 51 years.

Mr. Ramesh Gehani was re-appointed as Executive Chairman for a period of five years with effect from 1st September, 2015 to 31st August, 2020 at the Board Meeting held on 30th May, 2015. He is responsible for the overall management and finance of the Company.

Mr. Ramesh Gehani is not a member of any Committees of the Company. He is father of Mr. Ajay Gehani, Managing Director of the Company. He is holding 11,86,532 Equity Shares representing 20.50% of the total paid up share capital of the Company.

Mr. Ramesh Gehani is not a Director or a Member of any Committees in any other Listed Company as on 31st March, 2017.


Item No. 4:
Mr. Ajay Gehani (DIN No.: 00062989)

Mr. Ajay Gehani was born on 18th May, 1966. He graduated in Gemologist from GIA. He joined Sovereign Diamonds Limited on 24th November, 1984. He has vast experience in diamond grading, designing jewellery, domestic and international market. He has well established jewellery product of the company. He is managing the Production, Marketing and Finance of Sovereign Diamonds Limited for last 33 years.

Mr. Ajay Gehani is a member of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee of the Company. He is son of Mr. Ramesh Gehani, Executive Chairman and husband of Mrs. Deepika Gehani, Whole – Time Director & CFO of the Company. He is holding 8,77,800 Equity Shares representing 15.17% of the total paid up share capital of the Company.

Mr. Ajay Gehani is not a Director or a Member of any Committees in any other Listed Company as on 31st March, 2017.

PROCESS FOR MEMBERS OPTING FOR E-VOTING
Voting through electronic means
In case of members receiving e-mail:

- (i) The voting period begins on Wednesday, 26th July, 2017 at 9.00 a.m. and ends on Friday, 28th July, 2017 at 5.00 p.m. 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 Saturday, 22nd July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	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"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 (iv).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Sovereign Diamonds Limited** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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 Saturday, 22nd July, 2017 and as per the Register of Members of the Company.
3. M/s. P. P. Shah & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, as provided in clauses (a) to (h) of sub-rule (1) of Rule 21 of the Companies (Management and Administration) Rules, 2014, as applicable, with the assistance of scrutinizer, by use of postal ballot or polling paper for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
6. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
7. The results declared along with the Scrutinizer's Report shall be placed on the BSE's website and on the website of CDSL www.evotingindia.com within two days of the passing of the Resolutions at the 43rd AGM of the Company and communicated to BSE Limited, Mumbai where the shares of the Company are listed.
8. Route Map showing directions to reach to the venue of the 43rd AGM is given at the end of this Notice as per the requirement of the Secretarial Standards 2 on General Meetings.

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

**Sd/-
Ajay Gehani
Managing Director**

**Place: Mumbai
Date: 27th May, 2017**



ANNEXURE TO THE NOTICE EXPLANATORY STATEMENTS

The following Explanatory Statements as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 3 and 4 of the accompanying Notice dated 27th May 2017.

ITEM NO. 3 – APPOINTMENT OF STATUTORY AUDITOR

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. J. D. Zatakia & Co., the present Auditors of the Company is completing their term as Auditors.

M/s. J. D. Zatakia & Co., Chartered Accountants was re-appointed as Statutory Auditors of the Company for the Company's financial year 2016 – 17. They have continued in the office as Statutory Auditors of the Company for more than ten years as on 31st March, 2014. The Ministry of Corporate Affairs has implemented the new Companies Act w.e.f. 1st April, 2014. Pursuant to Section 139(2) of the Companies Act, 2013, they can continue as Statutory Auditors for further period of three years from 1st April, 2014 upto financial year 2016 – 17. Accordingly, their term as Statutory Auditors is completing on the conclusion of 43rd Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. J. D. Zatakia & Co. for their association with the Company as its Auditors.

In view of the above, M/s. Pulindra Patel & Co., Chartered Accountants, having Registration No. 115187W, have been appointed as Auditors of the Company to hold office from the conclusion of the 43rd Annual General Meeting till the conclusion of the 48th Annual General Meeting to be held in the financial year 2021 – 22, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

ITEM NO. 4 – RE-APPOINTMENT AND REMUNERATION TO MR. AJAY GEHANI AS MANAGING DIRECTOR

The Nomination and Remuneration Committee has recommended the re-appointment of Mr. Ajay Gehani as Managing Director of the Company. Accordingly, the Board of Directors at its meeting held on 11th February, 2017 has considered the re-appointment of Mr. Ajay Gehani as Managing Director of the Company for the period of five years w.e.f. 1st April, 2017.

The terms and conditions of his re-appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1.	Mr. Ajay Gehani	Managing Director	Production, Marketing and Finance

The Company proposes to pay following remuneration and perquisites w.e.f. 1st April, 2017.

A. REMUNERATION:

Sr. No.	Name of Director	Designation	Remunerations & Perquisites
1.	Mr. Ajay Gehani	Managing Director	Remuneration of Rs. 3,00,000/- per month including the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for yearly increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act

**B. INCREMENTS:**

The Board of Directors shall decide the increments payable to him at the end of March, every year within the overall ceiling laid down in the Schedule V so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

C. PERQUISITES:

Non monetary ceiling perquisites

The following perquisites shall be payable to Mr. Ajay Gehani and which shall not be included in the computation of the ceiling of remuneration as per Schedule V of the Companies Act, 2013.

i. Provident Fund:

The Company's contribution to Provident Fund is as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

ii. Gratuity:

Gratuity not exceeding one-half months' salary for each completed year of service.

iii. Leave Encashment:

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

D. MINIMUM REMUNERATION:

- (1) The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the Audited Balance Sheet as on 31st March, 2016 and has been fixed as provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
- (2) During the tenure of his appointment, if the Company earns profits in excess of the limits prescribed under Schedule V or if the profits are adequate in any financial year, as per the provisions of Section 196, 197 and any other applicable provisions of the, Companies Act, 2013 then the remuneration of Mr. Ajay Gehani shall be paid as per the profits earned by the Company in that particular financial year.

E. OTHER CONDITIONS:

- i. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
- ii. The Managing Director to hold office as such subject to the provisions of Section 164 and 167 of the Companies Act, 2013.
- iii. The re-appointment of Managing Director has been approved by the Nomination and Remuneration Committee of the Company.

The resolutions are being recommended for the approval of the members.

None of the Directors except Mr. Ajay Gehani is concerned or interested to the extent remuneration is payable to him. Mr. Ramesh Gehani and Mrs. Deepika Gehani are concerned or interested as relatives of him.

The Board commends the Ordinary Resolution set out at Item No. 4 for approval by shareholders.

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

**Place: Mumbai
Date: 27th May, 2017**

**Sd/-
Ajay Gehani
Managing Director**