



Sovereign®

Diamonds Ltd. Since 1974



48th
ANNUAL REPORT
2021 - 2022

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2021 - 2022

Sovereign Diamonds Limited

BOARD OF DIRECTORS

Mr. Ajay R. Gehani : Chairman & Managing Director
Mrs. Arundhati Mali : Director & CFO
Mr. Mohanram Pai : Independent Director
Mr. Rajesh Arora : Independent Director

AUDIT COMMITTEE

Mr. Mohanram Pai, *Chairman*
Mr. Rajesh Arora
Mr. Ajay Gehani

NOMINATION & REMUNERATION COMMITTEE

Mr. Mohanram Pai, *Chairman*
Mr. Rajesh Arora
Mr. Ajay Gehani

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Mohanram Pai, *Chairman*
Mr. Rajesh Arora
Mr. Ajay Gehani

COMPANY SECRETARY

Mr. Akshay Jain

BANKERS

HDFC Bank

AUDITORS:

Statutory Auditors:

M/s. Pulindra Patel & Co.
Chartered Accountants, Mumbai

Secretarial Auditors:

M/s. P. P. Shah & Co.
Practicing Company Secretaries, Mumbai

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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
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai – 400 083.
Tel. No. – 022 4918 6000
Fax No. – 022 4918 6060

48TH ANNUAL GENERAL MEETING

On Thursday, 8th September, 2022 at
11.00 a.m. through video conferencing



NOTICE

NOTICE is hereby given that the Forty – Eighth Annual General Meeting of the members of **SOVEREIGN DIAMONDS LIMITED** will be held on Thursday, 8th September, 2022 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 31st March, 2022 and the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Ms. Arundhati Mali (DIN No.: 08353618), who retires by rotation and being eligible, offers herself for re-appointment.
3. Appointment of Statutory Auditors

To consider and, if thought fit, to pass 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. J. D. Zatakia & Co., Chartered Accountants, having ICAI Firm Registration No. 111777W, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors in terms of provisions of Section 141 of the Act and Rule 4 of the Rules and certificate issued by the Peer Review Board of Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditor M/s. Pulindra Patel & Co., Chartered Accountants the outgoing auditors who have completed their term as auditor pursuant to Section 139 (2) of the Act at the end of conclusion of the 48th Annual General Meeting.

RESOLVED FURTHER THAT M/s. J. D. Zatakia & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for a term of 5 years from the conclusion of 48th Annual General Meeting until the conclusion of the 53rd Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

SPECIAL BUSINESS:

4. To re-appoint Mr. Ajay Gehani (DIN No.: 00062989) as Chairman and Managing Director and in this regard, to consider, and if thought fit, to pass the following resolution as an **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 Chairman and Managing Director of the Company for a period of five years with effect from 1st April, 2022 to 31st March, 2027.



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 29th January, 2022 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 Chairman and 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:

General Instructions for Accessing and participating in the 48th 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 the businesses mentioned under Item Nos. 3 and 4 of the accompanying Notice is annexed hereto.
2. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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 Annual General Meeting and the attendant enablers for conducting of the AGM. The proceedings of the AGM will be web-casted live for all the shareholders who hold shares as on cut-off date i.e. Thursday, 1st September, 2022. The shareholders can visit <https://www.evotingindia.com> and login through user id and password to watch the live proceedings of the AGM on Thursday, 8th September, 2022 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 served 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 served 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 Thursday, 1st September, 2022 to Thursday, 8th September, 2022 (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.

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 agehani66@gmail.com.

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, Chairman and Managing Director at agehani66@gmail.com.

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 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 April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com or will be made available if a request is sent to the Company at agehani66@gmail.com. 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.



10. 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. Universal Capital Securities Private Limited to receive copies of Annual Report 2021-22 and also communication by the Company from time to time in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report, obtain other communication from time to time as well as updating bank account details.

• **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. Universal Capital Securities Private Limited either by email at gamare@uniseq.in or by post to C 101, 247 Park, 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 ID, are entitled to receive such communications in physical form upon request.

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31st March, 2023, and linking PAN with Aadhaar by 31st March, 2022 vide its circular dated 3rd November, 2021 and 15th December, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars and share transfer agent i.e. M/s. Universal Capital Securities Private Limited by email at gamare@uniseq.in or by post to C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

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

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars and share transfer agents are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the registrar and share



transfer agent / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

11. As per Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can only be transferred in demat form. In view of this and to eliminate all 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.
12. Information about additional details of the Directors along with their brief profile who are seeking re-appointment as set out at Item Nos. 2 and 4 of the Notice dated 21st May, 2022 as required under Regulation 36 of the Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') is given below:

	Seeking re-appointment at Item No. 4 of the Notice	Seeking re-appointment at Item No. 2 of the Notice
Name	Mr. Ajay R. Gehani	Ms. Arundhati Mali
Director Identification Number (DIN)	00062989	08353618
Date of Birth	18/05/1966	11/02/1975
Nationality	Indian	Indian
Date of Appointment on Board	24 th November, 1984	8 th February, 2019
Qualifications	B. Com, G.G.(GIA)	B.Com
Shareholding in Sovereign Diamonds Limited	34,76,275 equity shares	Nil
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 and Banking
Terms and Conditions of reappointment	As stated in resolution at item no. 4 of Notice of AGM	Retiring by rotation, hence no terms of re-appointment
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 (2021-22)	4	4
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.

13. As the 48th 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, 5th September, 2022 and ends on Wednesday, 7th September, 2022. 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, 1st September, 2022 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 9th 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 9th 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 Id 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 CDSL	<p>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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 & 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.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>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: https://eservices.nsdl.com 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 & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>



	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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 & shareholders holding shares in physical form.**

The shareholders should log on to the e-voting website www.evotingindia.com.

- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.