

Date: 26th August, 2025

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

Scrip Code: 523826

SUB: Sovereign Diamonds Limited - Annual Report for the Financial Year 2024 – 25
and Notice convening the 51st Annual General Meeting

Dear Sir,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2024 – 25 along with the Notice convening the 51st Annual General Meeting scheduled to be held on Tuesday, 23rd September, 2025 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. 9/2024 dated September 19, 2024 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/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI.

Kindly take the above information on record.

Yours Faithfully,

FOR SOVEREIGN DIAMONDS LIMITED




AJAY GEHANI
MANAGING DIRECTOR



Sovereign®

Diamonds Ltd. Since 1974



51st
ANNUAL REPORT
2024 - 2025

51st ANNUAL REPORT

2024 - 2025

Sovereign Diamonds Limited

BOARD OF DIRECTORS

Mr. Ajay Gehani
Managing Director
Ms. Arundhati Mali
Director & CFO
Mr. Sumer Gehani
Director*
Mr. Narasinha Pal
Independent Director
Mr. Jigar Darji
Independent Director
*w.e.f. 12th August, 2025

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

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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: ajay@sovereignjewellery.in

REGISTRAR & TRANSFER AGENTS

M/s. MUFG Intime India Private Limited
(Formerly known as '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@in.mpms.mufg.com

Investor Service Portal:

https://in.mpms.mufg.com/Swayam_info.html

51ST ANNUAL GENERAL MEETING

On Tuesday, 23rd September, 2025 at
11.00 a.m. through video conferencing.

**NOTICE**

NOTICE is hereby given that the Fifty First Annual General Meeting of the members of **SOVEREIGN DIAMONDS LIMITED** will be held on Tuesday, 23rd September, 2025 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, 2025 and the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mrs. Arundhati Mali (DIN No.: 08353618), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Sumer Gehani as Director of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary 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. Sumer Gehani (DIN: 10842049), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th August, 2025 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 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 51st 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 # 3 of the Notice is annexed.
2. Pursuant to the General Circulars 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 read with 9/2024 dated 19th September, 2024, issued by the Ministry of Corporate Affairs (referred to as ‘MCA Circulars’) companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the said 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. Tuesday, 16th September, 2025. The members can visit <https://www.evotingindia.com> and login through user id and password to watch the live proceedings of the AGM on Tuesday, 23rd September, 2025 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 any 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 Wednesday, 17th September, 2025 to Tuesday, 23rd September, 2025 (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.
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.



12. In compliance with the MCA Circulars and SEBI Circular bearing no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024, Notice of the AGM along with the Annual Report 2024 – 25 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 Circulars, the Notice calling the AGM along with the Annual Report 2024 – 25 can be downloaded from the following:

- Company's Website at <https://www.sovereigndiamondsltd.com/investor-relations>.
- Stock Exchange i.e. BSE Limited's Website at <https://www.bseindia.com/stock-share-price/sovereign-diamonds-ltd/soverdia/523826/corp-announcements/>

The same will also be made available if a request is sent to the Company at 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.

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. MUFG 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. MUFG Intime India Private Limited either by email at rnt.helpdesk@in.mpms.mufg.com 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 mode. Members of the Company who have registered their e-mail



address are entitled to receive such communications in physical mode upon request.

14. **SEBI has mandated the submission of PAN, KYC details, bank account details, specimen signature and choice of nomination by holders of physical securities and linking PAN with Aadhaar vide its circulars dated 3rd November, 2021, 14th December, 2021 and 16th March, 2023. Members holding shares in physical form are requested to submit the above details to the Company's Registrar and Share Transfer Agent i.e. M/s. MUFG Intime India Private Limited at rnt.helpdesk@in.mpms.mufg.com.**
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. MUFG 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://in.mpms.mufg.com/Swayam_info.html.
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 and 3 of the Notice dated 12th August, 2025 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:**

	Seeking re-appointment at Item No. 2 of the Notice	Seeking re-appointment at Item No. 3 of the Notice
Name	Ms. Arundhati Mali	Mr. Sumer Gehani
Director Identification Number (DIN)	08353618	10842049
Date of Birth	11 th February, 1975	2 nd May, 1998
Nationality	Indian	Indian
Date of Appointment on Board	8 th February, 2019	12 th August, 2025
Qualifications	B. Com	Bachelor of Science in Business Administration with concentration in Entrepreneurship and Finance from Babson College, USA.
Shareholding in Sovereign Diamonds Limited	100 equity shares	2,86,469 equity shares
In case of Non Executive Director the shareholding including shareholding as Beneficial Owner.	N.A.	2,86,469 equity shares Shareholding as Beneficial Owner: Nil
Expertise in specific functional areas	Finance, Banking and Compliance of tax laws.	Expertise in Jewellery and design, and brings a thoughtful, creative perspective to the company's direction.
Terms and Conditions of reappointment	Seeking re-appointment after retiring by rotation; On re-appointment, she will assume office on same terms as previously approved by members in 50 th AGM held on 26 th September, 2024.	Non Executive Director, No remuneration or sitting fees will be paid to him.
Remuneration last drawn (including sitting fees, commission if any)	Rs. 4,70,200/- (Including Sitting Fees for Rs. 75000/-)	N.A.
Remuneration proposed to be paid	Seeking re-appointment after retiring by rotation; On re-appointment, she will assume office on same terms as previously approved by members in 50 th AGM held on 26 th September, 2024.	Nil
Relationships with other Director / Key Managerial Personnel	Not related to any Director	Son of Mr. Ajay Gehani, Chairman and Managing Director & Promoter
Number of meetings of the board attended during the financial year (2024-25)	4	Nil



	Seeking re-appointment at Item No. 2 of the Notice	Seeking re-appointment at Item No. 3 of the Notice
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.

18. As the 51st 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 Saturday, 20th September, 2025 and ends on Monday, 22nd September, 2025. 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 Tuesday, 16th September, 2025 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 address in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings, both, applicable **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 Depository	<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit CDSL at www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 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 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.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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: 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 under Value Added Services. Click on "Access to e-Voting" under e-Voting services and you will be



Type of shareholders	Login Method
	<p>able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting service provider i.e. NSDL website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) 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> <p>3) 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 held 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 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>5) Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</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>



Type of shareholders	Login Method
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 above mentioned 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 21 09911.
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.: 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.
 - 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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> • 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.



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.
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- 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 Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 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 and to the Company at the email address viz; ajay@sovereignjewellery.in or 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. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
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. 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. 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. 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.
10. 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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 & joining virtual meetings 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 or contact at toll free no. 1800 21 09911.

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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 21 09911.

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 Tuesday, 16th September, 2025 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 shall be displayed at the Registered Office of the Company and can be downloaded from the following:
 - a. Company's website at www.sovereigndiamondsltd.com
 - b. E-Voting Agency i.e. CDSL's website at www.evotingindia.com
 - c. Stock Exchange i.e. BSE Limited's website <https://www.bseindia.com/stock-share-price/sovereign-diamonds-ltd/soverdia/523826/corp-announcements/>

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

**Ajay Gehani
Managing Director
DIN: 00062989**

**Place: Mumbai
Date: 12th August, 2025**



ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

[Pursuant to Sections 102 of the Companies Act, 2013]

Item Nos. 3:

The Nomination and Remuneration Committee ('NRC') taking into consideration the skills required for the Board in the context of the business and sectors of the Company, identified that the qualifications and experience of Mr. Sumer Gehani (DIN: 10842049) meets the skills and capabilities required for the role of Director of the Company.

The NRC recommended to the Board the appointment of Mr. Sumer Gehani as an Additional Director.

Based on the recommendations of the NRC, the Board, in terms of Section 161 of the Companies Act, 2013 ('Act'), appointed Mr. Sumer Gehani as an Additional Director (Non-Executive, Non-Independent) of the Company effective from 12th August, 2025. Pursuant to Section 161 of the Act, Mr. Sumer Gehani 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, signifying his intention to propose the appointment of Mr. Sumer Gehani as a Director of the Company. In terms of Section 161 of the Act, it is proposed to appoint him as Director of the Company. The office of Mr. Sumer Gehani shall be liable to retire by rotation.

Brief profile of Mr. Sumer Gehani:

- ❖ Mr. Sumer Gehani is a graduate of Babson College, where he studied Entrepreneurship and Finance, following his earlier education at Cathedral School and Hillspring International School under the IB program. He has worked across both the luxury and technology sectors in New York.
- ❖ At Tapestry Inc., the parent company of Coach and Kate Spade, he gained experience in the operations and brand side of the luxury industry. He later worked at Magna Technology Group, where he was exposed to digital systems and business infrastructure.
- ❖ He has a strong interest in jewellery and design, and brings a thoughtful, creative perspective to the company's direction. His background combines hands-on industry exposure with an appreciation for product and brand development.

The Company has received from him (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 he is not disqualified under Section 164 of the Act. He has also confirmed that he 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 14th June, 2018.

The disclosure of Mr. Sumer Gehani 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 annexed to this notice.

The Board recommends the resolution at item no. 3 of the accompanying Notice for approval of the Members.

Mr. Ajay Gehani and Mr. Sumer Gehani together with their relatives are concerned or interested in the resolution set out at Item No. 3 of the accompanying notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, directly or indirectly, financially or otherwise, in the resolution.

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

**Ajay Gehani
Managing Director
DIN: 00062989**

**Place: Mumbai
Date: 12th August, 2025**



BOARD'S REPORT

TO THE MEMBERS OF SOVEREIGN DIAMONDS LIMITED

The Directors take pleasure in presenting the Fifty First Annual Report together with the Audited Annual Financial Statements for the financial year ended 31st March, 2025. 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 2024 – 25 are tabulated below:

(Rs. in Lakhs)		
Particulars	Year Ended 31 st March, 2025	Year Ended 31 st March, 2024
Income from Operations	1,997.21	2,709.34
Other Income	149.41	133.04
Total Income	2,146.62	2,842.38
Expenditure	1,964.50	2,493.04
Interest	119.61	131.71
Depreciation	49.77	49.64
Total Expenditure	2,133.88	2,674.39
Net Profit Before Tax	12.73	167.99
Provision for Taxation	9.46	42.00
(Add) / Less : Deferred Tax	2.00	(12.01)
Short / (Excess) Provision of earlier Years	0.00	0.00
Net Profit After Tax	1.26	138.00
Other Comprehensive Income	0.76	(2.79)
Total Comprehensive Income	2.02	135.21
Balance brought forward from last year	1,013.35	877.56
Transfer to General Reserve	0.00	0.00
Balance carried forward to the Balance Sheet	1,030.69	1,013.35

There was no revision in the Financial Statements.

2. HIGHLIGHTS OF PERFORMANCE:

- Total turnover for the year was Rs. 1,997.21 Lakhs as compared to Rs. 2,709.34 Lakhs in 2023 – 24 i.e. decrease by 26.25%.
- Total profit before tax for the year was Rs. 12.73 Lakhs as compared to profit before tax of Rs. 167.99 Lakhs in 2023 – 24 i.e. decrease by 92.43%.

3. BUSINESS OPERATIONS:

- ❖ The jewellery business model had changed drastically on account of gold prices going so high. The proportion value of gold in an 18 carat product has risen from 25% – 30% to almost 60% - 65%. This has led to reduction in gross profit as compared to gross profit in earlier times.
- ❖ Under such circumstances of high gold prices, the Company is focusing on seeking orders on 'cash on delivery' or 'cash in advance'. This will improve our profitability.



The Company has been reducing its expenses across all levels including finance costs, salaries, general expenses, tools and consumables, etc.

- ❖ The Company is looking more business in coloured stones (precious stones), lab grown diamonds, lab grown emeralds, rubies and pearls set in 14 carat or 9 carat gold. The Company is also looking to make jewellery in 4 carat or 5 carat gold. The Company believes that future will be in less man-power and cheaper raw materials.
- ❖ The Company has reduced its bank borrowings from Rs. 11,13,79,291/- as on 31st March, 2024 to Rs. 8,86,01,985/- as on 31st March, 2025.

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 to transfer 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. 31st March, 2025 and date of this report i.e. 12th August, 2025.

7. **SHARE CAPITAL:**

The paid up equity share capital as on 31st March, 2025 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. Jayeshkumar Gandhi (DIN: 01497163) ceased to be Independent Director of the Company on account of his demise on 27th May, 2024.

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. Mr. Narasinha Pal was further appointed as Independent Director 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.



The members of the Company at its 50th Annual General Meeting held on 26th September, 2024 has approved the appointment of Mr. Narasinha Pal and Mr. Jigar Darji as an Independent Director(s) of the Company and the re-appointment of Mrs. Arundhati Mali as Whole Time Director and Chief Financial Officer of the Company.

Approval of members proposed in 51st AGM:

- ❖ The Board of Directors of the Company had appointed Mr. Sumer Gehani (DIN: 10842049) as an Additional Director (Non Executive, Non Independent). In terms of Section 161 of the Companies Act, 2013, Mr. Sumer Gehani (DIN: 10842049) holds office up to the date of 51st Annual General Meeting. The Company has received notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the appointment of Mr. Sumer Gehani as a Director of the Company. In terms of Section 161 of the Act, it is proposed to appoint him as Director of the Company.

Necessary resolution for his appointment, has been proposed for approval of members at item no. 3 of the Notice of 51st 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, Mrs. Arundhati Mali (DIN No.: 08353618), Whole Time Director & CFO, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself 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, Mr. Jigar Darji is exempted from undertaking online proficiency self-assessment test conducted by the IICA and Mr. Narasinha Pal shall appear for the said online proficiency self-assessment test in due course.

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.

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	3.95	-	0.75	4.71
Mr. Narasinha Pal	Independent Director	-	-	0.75	0.75
Mr. Jigar Darji	Independent Director	-	-	0.60	0.60

- ❖ 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 4 (Four) Board Meetings which were held on 30th May, 2024, 14th August, 2024, 14th November, 2024 and 31st January, 2025.



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.

❖ HEADCOUNT:

The total no. of employees as on 31st March, 2025 is as follows:

Particulars	Nos.
Female	8
Male	27
Transgender	0
Total	35

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:

- that in the preparation of the Annual Financial Statements for the year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- that the Annual Financial Statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- 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 2024 – 25.

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 to determine 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. 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.

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

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 48th Annual General Meeting held on 8th 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 48th Annual General Meeting until the conclusion of the 53rd 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 2025 – 26.

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 31st March, 2025.



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. Narasinha Pal, 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. Narasinha Pal and Mr. Jigar Darji, 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 3rd 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. 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, 2025 in Form MGT 7 is available on the Company's website at <https://www.sovereigndiamondsltd.com/investor-relations>.

26. GREEN INITIATIVES:

The Ministry of Corporate Affairs vide its circular no. 17 / 2020 dated 13th April, 2020, circular no. 20 / 2020 dated 5th May, 2020 and circular No. 09/2024 dated 19th September, 2024 and SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 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 2024 – 25 and notice of the 51st 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 51st 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 or 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 31st March, 2024 and networth of the Company is Rs. 16.78 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 2024 – 25.

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.

The status of no. of complaints of sexual harassment are shown below:

No. complaint raised and pending as on 1 st April, 2024	0
No. of complaints of sexual harassment received in the year	0
No. of complaints disposed off during the year	0
No. of complaints pending at the end of the financial year ended 31 st March, 2025	0
No. of cases pending for more than 90 days	0

30. COMPLIANCE OF MATERNITY BENEFIT ACT, 1961:

During the financial year 2024 – 25, the Company has complied with respect to the compliance of the provisions relating to the Maternity Benefit Act, 1961.

31. INSOLVENCY AND BANKRUPTCY CODE:

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

32. ONE TIME SETTLEMENT WITH BANKS:

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

33. LISTING WITH STOCK EXCHANGE:

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

**34. 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.

35. 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.

36. 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
For Sovereign Diamonds Limited**

Place: Mumbai

Date: 12th August, 2025

**Ajay Gehani
Managing Director
DIN: 00062989**

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



MANAGEMENT DISCUSSION & ANALYSIS REPORT

➤ **Industry Structure and Developments:**

❖ **India:**

India is poised to lead the global economic landscape, maintaining its position as the fastest-growing major economy. The economy is projected to grow by 6.4% for both 2025 and 2026, compared to 8.2% growth in FY 2023-24. At a time when global growth is expected to hover at 2.7% in 2025 and 2026, India's remarkable performance highlights its resilience and growing significance in shaping the world's economic trajectory. India's continued resilience highlights its growing significance in the global economy, establishing its role as a key driver of economic stability and expansion.

❖ **Gold:**

India imports gold to meet the high demand from its jewellery industry and as a store of value, with imports rising during the festive and wedding seasons. However, imports of gold fell sharply, reaching their lowest levels in recent years due to weak demand amid high prices.

According to the World Gold Council, the consumption of the yellow metal is projected to be lower at 700-800 tonnes in FY 2025, moderating from the last nine years' peak. Increasing prices of gold is dampening jewellery demand, even as investment demand rises, particularly in gold Exchange Traded Funds (ETF). Domestic gold prices have reached a record high of 84,399 rupees per 10 grams. Jewellery demand makes up 70% of India's total gold demand.

❖ **Domestic Jewellery Industry updates demand:**

Market Size:

The Indian gems and jewellery market has been a prominent global player. It is a vital contributor to the Indian economy, accounting for 6-7% of the country's GDP. India is recognised as a global hub for the jewellery market due to its cost-effective production and highly skilled workforce. As the 8th largest exporter, which contributes to 3.2% of exports, India's gems and jewellery market is integral to the growth of the economy. The industry, estimated to be sized at USD 100 billion in FY 2024, is flourishing at an impressive compound annual growth rate (CAGR) of 8.93%, catalysed by an increase in disposable income among consumers and a deep-seated cultural significance that elevates the role of jewellery in social and economic spheres. Growth is anticipated to be driven by strong domestic and global demand, strategic initiatives and factors like rising disposable incomes, urbanisation, increasing demand for gold, diamonds and precious stones, cultural significance, evolving consumer preferences and festive season and the fast-growing wedding market in India.

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

Opportunities:

India's services sector is poised for robust growth, while manufacturing activity is also strengthening as a result of government initiatives to enhance logistics infrastructure and simplify tax systems. Supported by a stronger labour market, improved access to credit and lowering inflation, private consumption in India is expected to accelerate. With a steady growth outlook, India remains a crucial player in shaping the world's economic future. Supported by rising private investments, healthier corporate balance sheets and favourable financing conditions, investment growth is likely to remain steady in India. Investment growth in India is likely to remain steady, bolstered by rising private investments, healthier corporate balance sheets and favourable financing conditions.

**Threats & Risks and Concerns:**

The industry faces several challenges in the aftermath of a tough macro-economic, geopolitical uncertainties, rising interest rates, demand slump in major consumer markets and issues related to rough diamond sourcing. The outbreak of geo-political tensions earlier between Russia & Ukraine and then between Israel & Hamas deeply impacted jewellery exports as the demand has been volatile in the overseas markets.

Some of the key challenges are:

- Gold price volatility.
- Rising costs of raw materials such as diamonds and platinum.
- Heavy reliance on imports, making the sector highly sensitive to global economic fluctuations and geopolitical developments, influencing consumer purchasing behaviour Government.
- Regulations and increasing import duties, impacting the competitiveness and profitability of industry players.

❖ Discussion on financial performance with respect to operational performance:

- Total net sales for the year were Rs. 1,997.21 Lakhs as compared to Rs. 2,709.34 Lakhs in 2023-24.
- Total Profit / Loss before tax for the year was Rs. 12.73 Lakhs as compared to Profit Rs. 167.99 Lakhs in 2023-24.
- The Company has repayment of GECL facilities of Rs. 21.40 Lakhs.
- The Company has reduced its bank borrowing from Rs. 1113.79 Lakhs to Rs. 886 Lakhs in 2024-25

❖ Outlook:

The growing preference for lightweight fashion jewellery, especially among younger consumers, is driving significant expansion in this segment. With a focus on affordability, style and versatility, millennials and Gen Z shoppers are increasingly opting for contemporary designs suited for everyday wear and special occasions. This evolving trend presents a lucrative opportunity for the Indian gems and jewellery industry, encouraging brands to innovate and cater to the demand for modern, budget-friendly jewellery options.

❖ Internal Control Systems and their adequacy:

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.



➤ **Key Financial Ratios:**

Sr. No.	Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liability	2.32	1.90	-
b)	Debt Equity Ratio	Borrowings + Interest Accrued	Total Equity	0.52	0.68	-
c)	Debt Service Coverage Ratio	Net Profit after Tax + Depreciation + Interest + Loss on Sale of Fixed Assets	Debt Service = Interest & Lease payments + Principal Repayments	0.06	0.11	Decrease in net profit after tax has resulted into decrease in Debt Service Coverage Ratio
d)	Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.07%	8.52%	Decrease in net profit after tax has resulted into decrease in return on equity
e)	Inventory Turnover Ratio	Cost of Goods Sold or Sales	Average Inventory (Opening Inventory + Closing Inventory)/2	1.16	1.51	-
f)	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivables	2.58	3.07	-
g)	Trade Payable Turnover	Net Credit Purchases	Average Trade Payables	9.33	8.15	-
h)	Net Capital Turnover Ratio	Net Sales	Working Capital	1.48	2.13	Decrease in revenue has resulted into decrease in Net capital Turnover ratio
i)	Net Profit Ratio	Net Profit	Net Sales	0.06%	5.09%	Decrease in net profit after tax has resulted into decrease in net profit ratio
j)	Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	5.10%	10.55%	Decrease in earnings before interest and tax has resulted into decrease in return on capital employed



Sr. No.	Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	Reasons for Variance
k)	Return on Investment / Networth	Net Profit after Tax	Total Equity	0.07%	8.17%	Decrease in net profit after tax has resulted into decrease in return on investment

❖ **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 networth has decreased from 8.17% to 0.07%. The same is explained in Business Operations Para of Board's Report.

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

Place: Mumbai

Date: 12th August, 2025

**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:

Sr. No.	Requirements	Details
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 – 10.25 Mrs. Arundhati Mali – Director – CFO – 1.17
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 – 0 Mr. Akshay Jain – Company Secretary – 0
3.	The percentage increase in the median remuneration of employees in the financial year	15%
4.	The number of permanent employees on the rolls of company as on 31 st March, 2025	35 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 2024-25 compared to 2023-24: 15%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the financial year ended 31 st March, 2025 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, 2025: Nil
b. The year of import;	
c. Whether the technology been fully absorbed;	Financial Year ended March 31, 2024: Nil
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Financial Year ended March 31, 2023: Nil
The expenditure incurred on Research and Development.	Nil

C. Foreign Exchange Earning and Outgo: **(Rs. In Lakhs)**

Foreign Exchange Earnings/Outgo	2024-25	2023-24
Foreign Exchange Earned	0.00	45.51
Foreign Exchange Outgo		
Travelling / Exhibition Charges	9.75	23.91

**ANNEXURE 'C' TO BOARD'S REPORT****SECRETARIAL AUDIT REPORT****FORM NO. MR-3**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[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 31st March, 2025 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 31st March, 2025 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 31st March, 2024 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 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. Narasinha Pal, 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. Narasinha Pal and Mr. Jigar Darji, 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 3rd 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.,
Company Secretaries**

Unique ICSI ID No.: S2023MH955400

**Punit Pradip Shah
Proprietor**

ACS No: 20536, COP No: 7506

UDIN: A020536G000982475

Peer Review: 6844/2025

Date: 12th August, 2025

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.,
Company Secretaries**

Unique ICSI ID No.: S2023MH955400

**Punit Pradip Shah
Proprietor**

ACS No: 20536, COP No: 7506

UDIN: A020536G000982475

Peer Review: 6844/2025

Date: 12th August, 2025

Place: Mumbai

**INDEPENDENT AUDITOR'S REPORT****To the Members of SOVEREIGN DIAMONDS LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **SOVEREIGN DIAMONDS LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2025, 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 "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, 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 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 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 Financial Statements under the provision of the Act and rules thereunder 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 Financial Statements.

Key Audit Matter

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual Report but does not include the financial Statements and our auditor's report thereon. Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) the Act with respect to the preparation of these 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and the Board of Directors are 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 Company's Management and Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 the management and board of directors.



- (iv) Conclude on the appropriateness of management's and board of director's use of the going concern basis of accounting in preparation of financial statement 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the 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 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(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c) 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 are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) 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(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) 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.

- i) 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 Financial Statements. Refer Note 31 to 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 (which are material either individually or in aggregate) 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 iv(a) and iv(b) above contain any material misstatement.



- v. The company has not declared and paid dividend during the year and hence compliance to section 123 is not required.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operating throughout the year for all relevant transactions recorded in respective software and that audit trail was not enabled at the database level to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

**Date : 27th May, 2025
Place : Mumbai**

**J. D. ZATAKIA - PROPRIETOR
MEMBERSHIP NO. 17669
UDIN: 25017669BMJABH7202**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S 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.)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, 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 clause 3(i)(a)(B) of order is not applicable to Company.
 - 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification
 - 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, 2025 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 at reasonable intervals 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 one 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, sales-tax, service tax, Duty of Custom, duty of excise, value added tax, 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, sales-tax, service tax, Duty of Custom, duty of excise, value added tax, Cess and other statutory dues in arrears as at March 31, 2025 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 Service tax, Provident Fund, Employees' State Insurance, Income Tax, sales-tax, service tax, Duty of Custom, duty of excise, value added tax, Cess and 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) 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 or other 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, 2025, the Company has availed cash credit facilities and we report that the funds raised on



short-term basis aggregating to Rs. 16.36 Lakhs 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 financial statements at Note No. 35 as required by the applicable accounting standard
- 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, 2025. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare Consolidated Financial Statements, and hence reporting under clause no.3(xxi) is not applicable.

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

**J. D. ZATAKIA - PROPRIETOR
MEMBERSHIP NO. 17669
UDIN: 25017669BMJABH7202**

**Date : 27th May, 2025
Place : Mumbai**

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

Referred to in paragraph 2(g) ‘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 Financial Statements of **SOVEREIGN DIAMONDS LIMITED** (“the Company”) as of 31st March 2025 in conjunction with our audit of the 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 authorizations 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 31st March 2025 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

J. D. ZATAKIA - PROPRIETOR
MEMBERSHIP NO. 17669
UDIN: 25017669BMJABH7202

Date : 27th May, 2025

Place : Mumbai



BALANCE SHEET AS AT 31ST MARCH, 2025 (Amount in Lakhs)

Particulars	Note	As at	As at
	No.	31st March, 2025	31st March, 2024
A Assets			
1 Non-current assets			
a) Property, Plant and Equipment	1	321.52	352.85
b) Capital work-in-progress	2	-	-
c) Investment Property	3	59.24	61.32
d) Goodwill		-	-
e) Other Intangible Assets		-	-
f) Intangible assets under development		-	-
g) Biological Assets other than bearer plants		-	-
h) Financial Assets			
i) Investments		-	-
ii) Loan		-	-
iii) Trade Receivables		-	-
iv) Other financial assets	4	5.75	6.50
j) Deferred tax assets (net)	5	18.59	20.10
k) Other non-current assets	6	1.13	1.13
Total non-current assets		406.22	441.90
2 Current assets			
a) Inventories	7	1,720.02	1,733.59
b) Financial assets			
i) Investments		-	-
ii) Trade receivables	8	609.74	937.62
iii) Cash and cash equivalents	9	1.47	2.66
iv) Bank balances other than (iii) above		-	-
v) Loans	10	1.00	0.72
vi) Others		-	-
c) Current Tax Assets (Net)	11	15.23	8.95
d) Other current assets	12	20.28	11.70
Total current assets		2,367.74	2,695.23
3 Assets held-for-sale / Assets included in disposal group(s) held for-sale			
Total Assets		2,773.96	3,137.13
B Equity and Liabilities			
1 Equity			
a) Equity Share capital	13	578.80	578.80
b) Instruments entirely equity in nature		-	-
c) Other Equity	14	1,126.84	1,109.49
Total Equity		1,705.64	1,688.29
Liabilities			
2 Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	15	-	3.66
ia) Lease Liabilities		-	-
ii) Trade payables		-	-
A) Total outstanding dues of small enterprises and micro enterprises; and		-	-
B) Total outstanding dues of creditors other small enterprises and micro enterprises		-	-
iii) Other financial liabilities	16	48.91	24.79
b) Provisions	17	0.01	0.12
c) Deferred Tax Liabilities (Net)		-	-
d) Other Non Current Liabilities		-	-
Total non-current liabilities		48.92	28.57
3 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	889.68	1,148.90
ia) Lease Liabilities		-	-
ii) Trade payables	19	-	-
A) Total outstanding dues of micro enterprises and small enterprises; and		-	22.03
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		110.87	187.34
iii) Other financial liabilities	20	-	17.48
b) Other current liabilities	21	18.74	43.28
c) Provisions	22	0.10	1.24
d) Current Tax Liabilities (Net)		-	-
Total current liabilities		1,019.39	1,420.26
4 Liabilities classified as held for sale/Liabilities included in disposal group held-for-sale			
Total Equity and Liabilities		2,773.96	3,137.13

Significant Accounting Policies

See accompanying Notes to the Financial Statements

A-D

1 to 45

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

For J. D. Zatakia & Co.

Chartered accountants

FRN: 111777W

(J.D. Zatakia - Proprietor)

Membership No. 017669

For and on behalf of Board of Directors

SOVEREIGN DIAMONDS LIMITED

Ajay R. Gehani

Managing Director

DIN-00062989

Arundhati R. Mali

Chief Financial Officer / Director

DIN-08353618

Place : Mumbai

Date : 27th May, 2025

UDIN : 25017669BMJABH7202

Akshay Jain

Company Secretary

Membership No. A53737


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

(Amount in Lakhs)

Particulars	Note No.	Year ended 31st March, 2025	Year ended 31st March, 2024
Income			
I Revenue from operations	23	1,997.21	2,709.34
II Other Income	24	149.41	133.04
III Net gain on de-recognition of financial assets at amortized cost		-	-
IV Net gain on reclassification of financial assets		-	-
V Total Income (I+II+III+IV)		2,146.62	2,842.38
VI Expenses			
Cost of material consumed	25	1,130.84	1,641.62
Excise Duty		-	-
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-In-progress	26	379.28	363.85
Employee benefit Expense	27	210.65	209.43
Finance costs	28	119.62	131.71
Depreciation and amortisation expense	1	49.77	49.64
Impairment losses		-	-
Net loss on de-recognition of financial assets at amortized cost		-	-
Net loss on reclassification of financial assets		-	-
Other expenses	29	243.73	278.14
Total expense (VI)		2,133.89	2,674.39
VII Profit (Loss) before exceptional items and tax (V-VI)		12.73	167.99
VIII Exceptional Items		-	-
IX Profit/(loss) Before Tax (VII+VIII)		12.73	167.99
X Tax expense	30		
Current Tax		9.46	42.00
Deferred Tax		2.01	(12.01)
Total tax expenses (X)		11.47	29.99
XI Profit (Loss) for the period from continuing items after tax (IX-X)		1.26	138.01
XII Profit/(loss) from discontinued operations		-	-
XIII Tax Expense of Discontinued Operations		-	-
XIV Profit/(loss) from discontinued operations after tax (XII-XIII)		-	-
XV Profit/(loss) for the period (XI+XIV)		1.26	138.01
XVI Other comprehensive income:			
A. (i) Items that will not be reclassified to Profit or loss			
Remeasurement of defined employees benefit plan	27	0.26	(2.23)
(ii) Income tax relating to items that will not be reclassified to Profit or loss			
Remeasurement of defined employees benefit plan	30	0.50	(0.56)
B. (i) Items that will be reclassified to Profit or loss			
(ii) Income tax relating to items that will be reclassified to Profit or loss			
Total Other comprehensive income (XVI)		0.76	(2.79)
XVII Total Comprehensive Income for the period Comprising Profit (Loss) and Other comprehensive Income for the period (XV + XVI)		2.02	135.21
XVIII Earnings per equity share (Continuing operations)	33		
1) Basic		0.02	2.38
2) Diluted		0.02	2.38
XIX Earnings per equity share (Discontinued operations)			
1) Basic		-	-
2) Diluted		-	-
XX Earnings per equity share (Discontinued & Continuing operations)			
1) Basic		0.02	2.38
2) Diluted		0.02	2.38

Significant Accounting Policies

See accompanying Notes to the Financial Statements

 A-D
1 to 45

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

For J. D. Zatakia & Co.

Chartered accountants

FRN: 111777W

(J.D. Zatakia - Proprietor)

Membership No. 017669

For and on behalf of Board of Directors
SOVEREIGN DIAMONDS LIMITED
Ajay R. Gehani

Managing Director

DIN-00062989

Arundhati R. Mali

Chief Financial Officer / Director

DIN-08353618

Place : Mumbai

Date : 27th May, 2025

UDIN : 25017669BMJABH7202

Akshay Jain

Company Secretary

Membership No. A53737



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2025

A. Equity Share Capital

(Amount in Lakhs)

Particulars	Note No	Number of Shares	As at 31st March, 2025	Number of Shares	As at 31st March, 2024
Balance at the beginning of the reporting year	13	57,88,002	578.80	57,88,002	578.80
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			-		-
Balance at the end of reporting year		57,88,002	578.80	57,88,002	578.80

B. Other Equity

(Amount in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Surplus	
Balance as at 1st April, 2023 (A)	10.10	86.04	877.56	973.70
Changes in accounting policy or prior period errors; (B)	-	-	-	-
Restated balance at the 1st April, 2023 (C= A + B)	10.10	86.04	877.56	973.70
Profit for the year (D)	-	-	138.01	138.01
Other comprehensive income (E)	-	-	(2.79)	(2.79)
Total Comprehensive Income (F=D + E)	-	-	135.21	135.21
Dividends (G)	-	-	-	-
Transfer to / (from) retained earnings (H)	-	-	-	-
Any other change: Remeasurement at fair value with respect of Leases (I)	-	-	0.58	0.58
Balance as at 31st March, 2024 (J = C+F+G+H+I)	10.10	86.04	1,013.35	1,109.49
Balance as at 1st April, 2024 (J)	10.10	86.04	1,013.35	1,109.49
Changes in accounting policy or prior period errors; (K)			-	-
Restated balance at the 1st April, 2024 (L= J +K)	10.10	86.04	1,013.35	1,109.49
Profit/(Loss) for the year (M)	-	-	1.26	1.26
Other comprehensive income (N)	-	-	0.76	0.76
Total comprehensive income for the year (O= M+N)	-	-	2.02	2.02
Dividends (P)	-	-	-	-
Transfer to / (from) retained earnings (Q)	-	-	-	-
Any other change: Remeasurement at fair value with respect of Leases (R)	-	-	15.33	15.33
Balance as at 31st March, 2025 (S= L+O+P+Q+R)	10.10	86.04	1,030.70	1,126.84

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

For J. D. Zatakia & Co.

Chartered accountants

FRN: 111777W

(J.D. Zatakia - Proprietor)

Membership No. 017669

For and on behalf of Board of Directors

SOVEREIGN DIAMONDS LIMITED

Ajay R. Gehani

Managing Director

DIN-00062989

Arundhati R. Mali

Chief Financial Officer / Director

DIN-08353618

Place : Mumbai

Date : 27th May, 2025

UDIN : 25017669BMJABH7202

Akshay Jain

Company Secretary

Membership No. A53737



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
A Cash flow from operating activities :		
Net Profit before tax and Extra-ordinary items	12.73	167.99
Adjustment for :		
Depreciation and amortization for the year	49.77	49.64
Finance cost	119.62	131.71
Impairment Loss recognised/ (reversed) under expected credit loss model	18.78	
Net (profit)/loss on disposal of property, plant and equipment	-	-
Assets Written-off	-	0.44
Non-Operating Income	(142.35)	(133.18)
Non cash expense	1.90	
Non cash Income	(7.06)	
Operating Profit before working capital changes	53.39	216.60
Operating profit before working capital changes		
Adjustments for:		
Inventories	13.57	149.11
Non-current financial assets	0.75	(1.10)
Current financial assets	-	0.74
Other current assets	(0.08)	(12.77)
Trade receivables	309.10	(111.56)
Trade payables	(98.50)	(37.27)
Other Non current financial Liability	20.86	(8.21)
Other current financial liabilities	(19.40)	-
Provisions-non current	(0.11)	(7.18)
Provisions-current	(2.77)	(0.02)
Other current liabilities	(6.91)	1.42
Cash generated from operating activities	269.90	189.75
Less : Income Tax Paid (Net of Refund)	(15.74)	(49.41)
Net cash generated from operating activities	254.16	140.35
B Cash flow from investing activities:		
Purchase of property, plant and equipment	(16.36)	(55.65)
Proceeds from disposal of property, plant and equipment	-	-
Loan Given	(0.29)	-
Interest received	0.04	0.03
Rent received	138.56	153.51
Net cash used in investing activities	121.96	97.89
C Cash flow from financing activities:		
Repayment of non current borrowings	(3.66)	(36.54)
Repayment of current borrowings	(259.21)	(76.35)
Proceeds of current borrowing	-	-
Interest Paid	(114.43)	(126.42)
Net cash generated from financing activities	(377.31)	(239.30)
Net increase in cash and cash equivalents (A+B+C)	(1.20)	(1.07)
Cash and cash equivalents at the beginning of the year	2.66	3.73
Cash and cash equivalents at the end of the year	1.47	2.66
Components of Cash and Cash Equivalents		
Balances with Banks		
- In Current Account	1.23	2.33
Cash on Hand	0.24	0.34
	1.47	2.66


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025
Change in Liability arising from Financing Activities

	1st April, 24	Cash Flow	31st March, 25
Borrowing Non-Current	3.66	(3.66)	-
Borrowing Current	1,148.90	(259.21)	889.68

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

Note :

- i) Figures in bracket represent cash outflow.
- ii) 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 balance sheet referred to in our report of even date

For J. D. Zatakia & Co.

Chartered accountants

FRN: 111777W

(J.D. Zatakia - Proprietor)

Membership No. 017669

For and on behalf of Board of Directors

SOVEREIGN DIAMONDS LIMITED

Ajay R. Gehani

Managing Director

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Chief Financial Officer / Director

DIN-08353618

Place : Mumbai

Date : 27th May, 2025

UDIN : 25017669BMJABH7202

Akshay Jain

Company Secretary

Membership No. A53737

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025****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.

B. Basis for preparation**(i) Compliance with Ind AS**

The Financial statements of the Company comprises, the balance sheet, 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 the material accounting policies and other explanatory information (herein referred to as "Financial statements").

These 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. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financial statements have been prepared on accrual and 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 accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

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

The financial statements of the Company for the year ended 31st March, 2025 were approved for issue in accordance with the resolution of the Board of Directors on 27th May, 2025.

C. Overall consideration

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

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 - 27
- (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
- (v) Expected Credit Loss – Note 38

D. Material Accounting Policy Information

1. 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. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. Property, plant and equipment

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, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

If significant parts of an item of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.



All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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:

Asset category	Estimated useful life (in years)
Buildings	30
Plant and equipment	8-10
Office equipment	5
Computers	3
Furniture and fixtures	10
Vehicles	8

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.

3. 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.

Property used in production or supply of goods or services and also held to earn rentals / capital appreciation is accounted separately as investment property only if portion of property held to earn rental / capital appreciation can be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Further property with provision of ancillary services to the occupants is treated as investment property if the services are insignificant to the arrangement as a whole.

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. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised. 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.



Though the Company measures investment property using cost based measurement, fair value of investments properties under each category are disclosed under to the financial statements. Fair values 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.

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 Statement of Profit and Loss when the asset is derecognised.

Transfers to or from the investment property is made only when there is a change in use. Transfer between investment property and owner occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purpose.

4. 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 to determine the extent of impairment loss. Recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. 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.

5. 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.

6. Leases

The Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- (i) the contract involves the use of identified asset;



- (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and
- (iii) the Company has right to direct the use of the asset.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses judgement in assessing the lease term (including anticipated renewals/termination options).

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.

7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial Assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

- i. Financial assets measured at amortised cost;
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI);



iii. Financial assets measured at fair value through profit or loss (FVTPL).

The Company classifies its financial assets in the above mentioned categories based on:

- i. The Company's business model for managing the financial assets, and
- ii. The contractual cash flows characteristics of the financial asset.

Financial asset at amortised cost

The financial instrument is measured at the amortised cost if both the following conditions are met:

- i. The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. 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.

Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

1. The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and
2. The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through profit or loss (FVTPL)

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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.

Impairment of financial assets

In accordance with Ind AS 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.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company measures loss allowances at an amount equal to lifetime expected credit losses.

**Trade receivables**

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

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 unless at initial recognition, they are classified as fair value through profit or loss.

Subsequent measurement

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

Borrowings

After initial recognition, interest-bearing loans and borrowings will be subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective interest rate amortisation process. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**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 nonconvertible 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.

8. Foreign currency translation**Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

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.

9. 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.

10. Taxes on income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities by using tax rates and the tax laws that are enacted at the reporting date.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Taxes

Deferred tax is provided on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the



reporting date 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 assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise the same.

Deferred tax is not recognised for all taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the same and when the balances relate to the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize all or part of the deferred tax asset. 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 be available to utilize the deferred tax asset.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity.

11. 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.

12. 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.

13. 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.

14. Operating expenses

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

15. Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. 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.

16. Fair value measurement

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:

- i. In the principal market for the asset or liability, or
- ii. 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



17. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation (legal or constructive), 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.

18. 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.

19. 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.

Expected Credit Loss (ECL) - The probability-weighted estimate of credit losses over the expected life of a financial asset, reflecting the present value of all cash shortfalls the management expects to incur.

20. Operating Segment

An operating segment is a component of the Company:

- i. That engages in business activities from which it may earn revenues and incur expenses,
- ii. Whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated and assess performance, and
- iii. For which discrete financial information is available.

Identification of segments:

Operating segments are identified based on the internal reports reviewed by the CODM for making strategic decisions. The CODM is the function responsible for allocating resources and assessing the performance of operating segments.

Measurement of segment results:

The Company measures segment performance based on profit or loss before tax and interest, consistent with internal financial reporting to the CODM.

Inter-segment transactions:

Transactions between operating segments are conducted on an arm's length basis and are eliminated on consolidation.

Reportable segments:

Segments meeting quantitative thresholds prescribed under IND AS 108, individually or in aggregate, are reported separately. If the total external revenue reported by operating segments constitutes less than 75% of the Company's revenue, additional segments are identified as reportable until at least 75% of external revenue is included.

21. Recent accounting developments

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards as mentioned below, and are effective for annual reporting periods beginning on or after 1 April 2024:

- i. Lease Liability in Sale and Leaseback – Amendments to Ind AS 116; and
- ii. Insurance contracts - Ind AS 117

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

1. Property Plant and Equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Total
Gross block								
As at 1st April, 2023	48.55	144.58	89.67	53.99	163.41	56.18	4.41	560.79
Additions		25.50	15.34	3.70	-	11.00	0.11	55.65
Deduction			1.14	2.35	-	1.87	-	5.36
As at 31st March, 2024	48.55	170.08	103.87	55.34	163.41	65.31	4.52	611.09
Additions		10.38	1.46	1.11	2.02	-	1.39	16.36
Deduction		-	-	-	-	-	-	-
As at 31st March, 2025	48.55	180.46	105.33	56.45	165.43	65.31	5.91	627.45

Particulars	Land	Buildings	Plant and machinery	Furniture fixture	Vehicles	Office equipments	Computer	Total
Accumulated depreciation								
As at 1st April, 2023	-	73.59	50.38	28.06	37.78	24.27	2.48	216.54
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
Depreciation charge during the year	-	3.15	10.12	4.90	20.23	8.36	0.94	47.70
Deduction	-	-	-	-	-	-	-	-
As at 31st March, 2025	-	78.25	69.48	36.23	77.59	40.17	4.21	305.93
Net carrying amount as at 31st March, 2025	48.55	102.21	35.85	20.23	87.85	25.14	1.70	321.52
Net carrying amount as at 31st March, 2024	48.55	94.98	44.51	24.02	106.05	33.50	1.24	352.85

(i) Revaluation

The company has not adopted the revaluation model and no revaluations were carried out during the current year and previous year.

(ii) Impairment

No impairment loss was recognized or reversed during the current year and previous year

(iii) Assets pledged as security against borrowings

Asset	As at 31st March, 2025	As at 31st March, 2024	Security Purpose
	Gross Block	Gross Block	Net Block
Vehicle	50.04	33.95	39.99
		50.04	Vehicle Loan
			(Amount in Lakhs)

2. Capital work-in-progress (CWIP)

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Particulars										Buildings
As at 1st April, 2024										-
Additions										-
Transfer to Building										-
As at 31st March, 2025										-
Capital work-in-progress ageing schedule as at 31st March, 2025										(Amount in Lakhs)
Particulars			Amount of CWIP for a period of							
		Less than 1 year	1-2 years	2-3 years.	More than 3 years	Total				
Project-in-progress		-	-	-	-	-				
Project temporarily suspended		-	-	-	-	-				
Total		-	-	-	-	-				
Capital work-in-progress ageing schedule as at 31st March, 2024										(Amount in Lakhs)
Particulars			Amount of CWIP for a period of							
		Less than 1 year	1-2 years	2-3 years.	More than 3 years	Total				
Project-in-progress		-	-	-	-	-				
Project temporarily suspended		-	-	-	-	-				
Total		-	-	-	-	-				
3. Investment Property										(Amount in Lakhs)
Particulars	Freehold Land	Buildings	Plant and equipment	Furniture fixture	Vehicles	Office equipments	Computer	Total		
Gross block										
As at 1st April, 2023	-	211.52	-	-	-	-	-	211.52		
Additions	-	-	-	-	-	-	-	-		
Deduction	-	-	-	-	-	-	-	-		
As at 31st March, 2024	-	211.52	-	-	-	-	-	211.52		
Additions	-	-	-	-	-	-	-	-		
Deduction	-	-	-	-	-	-	-	-		
As at 31st March, 2025	-	211.52	-	-	-	-	-	211.52		
Accumulated depreciation										
Particulars	Freehold Land	Buildings	Plant and machinery	Furniture fixture	Vehicles	Office equipments	Computer	Total		
As at 1st April, 2023	-	147.17	-	-	-	-	-	147.17		
Depreciation charge during the year	-	3.03	-	-	-	-	-	3.03		
Deduction	-	-	-	-	-	-	-	-		
As at 31st March, 2024	-	150.20	-	-	-	-	-	150.20		
Depreciation charge during the year	-	2.08	-	-	-	-	-	2.08		
Deduction	-	-	-	-	-	-	-	-		
As at 31st March, 2025	-	152.28	-	-	-	-	-	152.28		
Net carrying amount as at 31st March, 2025	-	59.24	-	-	-	-	-	59.24		
Net carrying amount as at 31st March, 2024	-	61.32	-	-	-	-	-	61.32		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(i) Restrictions on realisability

The Company has no restrictions on the realisability of its Investment property

(ii) Impairment

No impairment loss was recognized or reversed during the current year and previous year

(iii) Contractual Obligations

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

(iv) Amounts recognised in Profit and Loss for Investment Properties

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Rental Income	142.31	133.01
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*	-	-
Profit from Investment properties before depreciation	142.31	133.01
Depreciation	2.08	3.03
Profit from Investment Properties	140.24	129.98

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

(v) Fair Value of Investment Property

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Building	3,255.34	3,255.34
Less: Considered in Property, Plant & equipment	(1,085.11)	(1,085.11)
Fair Value of Investment Property	2,170.23	2,170.23

Notes to Standalone Financial Statements for the year ended 31st March, 2025

Estimation of Fair Value

Fair Value of freehold land and building as on 31st March, 2025 and as on 31st March, 2024 is based on fair value determined in 2018. 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. 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, 2025 and 31st March, 2024 part of the building has been given on lease. Accordingly, the leased portion has been classified as Investment Property as per Ind AS 40 – Investment Property. The remaining portion, which is used by the Company for administrative purposes, continues to be classified under Property, Plant and Equipment. 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 on market



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

feedback on values of similar properties and hence considered under "Level 2" of fair value measurement. Although the last formal valuation was conducted in 2018, management has assessed that there has been no material change in market conditions affecting the fair value of the property since then.

The Company is in the process of obtaining an updated valuation from a registered valuer in the subsequent financial year to ensure continued compliance with Ind AS 40- Investment Property and Ind AS 113- Fair Value Measurement.

Capital Commitments

The Company has not entered into any contracts for acquisition or construction of Property, Plant and Equipment, Capital Work-in-Progress, or Investment Property as at 31st March, 2025. Accordingly, no capital commitments are outstanding as at the reporting date.

4. Other financial assets - Non-Current

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits	5.75	6.50
Total	5.75	6.50

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

5. Deferred tax assets (net)

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred tax assets	18.65	20.74
Deferred tax liabilities	(0.07)	(0.64)
Deferred tax assets/(liabilities) (net)	18.59	20.10

Movement in deferred tax assets and liabilities for the year ended on 31st March, 2025

(Amount in Lakhs)

Particulars	As at 1st April, 2024	(Charged)/Credited		As at 31st March, 2025
		to profit and loss	to other comprehensive income	
Accelerated depreciation for tax purposes	10.10	(3.85)	-	6.25
Remeasurement of post-employment benefit obligation	(0.56)	-	0.50	(0.07)
Remeasurement of post-employment benefit obligation	(0.08)	0.17	-	0.09
Deferred tax on recognition of financial liabilities	10.64	1.67	-	12.31
Deferred tax (expense)/benefit		(2.01)	0.50	
Net Deferred Tax Liabilities	20.10			18.59
Reflected in the balance sheet are as follows:				
Deferred tax assets	20.74			18.65
Deferred tax liabilities	(0.64)			(0.07)
Deferred tax assets/(liabilities) (net)	20.10			18.59



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

(Amount in Lakhs)

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	-	-	(0.56)	(0.56)
Remeasurement of post-employment benefit obligation	-	(0.08)		(0.08)
Deferred tax on recognition of financial liabilities	-	10.64		10.64
Deferred tax (expense)/benefit	-	12.01	(0.56)	
Net Deferred Tax Liabilities	8.65			20.10
Reflected in the balance sheet are as follows:				
Deferred tax assets	8.65			20.74
Deferred tax liabilities	-			(0.64)
Deferred tax assets/(liabilities) (net)	8.65			20.10

6. Other Non-current assets

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Others - Unsecured, considered good</u>		
VAT Receivable	1.13	1.13
Total	1.13	1.13

7. Inventories

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
At lower of cost or net realisable value		
Raw materials	1,616.51	1,252.88
Work-in-progress	43.86	371.26
Finished goods	49.02	100.91
Stores and spares	10.63	8.54
Total	1,720.02	1,733.59

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

8. Trade receivables

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Receivables		
Considered Good-Unsecured	628.52	937.62
Less : Allowance for expected credit loss (ECL)	(18.78)	-
Total	609.74	937.62
Receivables from related Parties	-	-
Receivables from others	628.52	937.62
Total	628.52	937.62

-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.

-Refer Note -38 Financial Risk Management for Movement in allowance for expected credit loss :

8A Trade Receivables Ageing

Ageing for trade receivables as at 31st March, 2025 is as follows:

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables-							
- Considered good	-	-	428.45	166.85	33.23	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
ii) Disputed Trade Receivables-							
- Considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less : Allowance for expected credit loss (ECL)	-	-	-	-	-	-	(18.78)
Total	-	-	428.45	166.85	33.23	-	609.74



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

8B Trade Receivables Ageing

Ageing for trade receivables as at 31st March, 2024 is as follows: (Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years.	More than 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	-	-	-	-	-	-	-	-
Less : Allowance for expected credit loss (ECL)	-	-	-	-	-	-	-	-
Total	-	-	937.62	-	-	-	-	937.62

9. Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance with banks		
- In Current Accounts	1.23	2.33
Cash on hand	0.24	0.34
Total	1.47	2.66

10. Loans

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Other Loans receivables- Considered Good-Unsecured</u>		
-Loans to Employees	1.00	0.72
Total	1.00	0.72

11. Current tax assets (Net)

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance Income Tax (Net of provision for taxation for 31st March, 2024 Rs. 42,00,000 ; 31st March, 2023 Rs. 48,00,000)	15.23	8.95
Total	15.23	8.95

(i) The balance as at 31st March, 2025 represents TDS receivable.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

12. Other current assets

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Unsecured, considered good</u>		
Prepaid expenses	7.92	6.37
Others	12.36	5.33
Total	20.28	11.70

13. Equity Share Capital

(Amount in Lakhs)

Particulars	No of Shares	As at 31st March, 2025	No of Shares	As at 31st March, 2024
Authorised Share Capital:				
Equity Shares of ₹ 10 each	60,00,000	600.00	60,00,000	600.00
	60,00,000	600.00	60,00,000	600.00
Issued, subscribed & fully paid up :				
Equity Shares of ₹ 10 each, fully paid up	57,88,002	578.80	57,88,002	578.80
Total	57,88,002	578.80	57,88,002	578.80

13.1: There is no fresh issue or buyback of shares during the year.

13.2: There is no change in the number of shares outstanding at the beginning and at the end of the year.

13.3: No shares are reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

13.4: The company has not issued any securities convertible into equity shares

13.5: There are no calls unpaid by directors or officers.

13.6: No shares are forfeited during the year or earlier years

(Amount in Lakhs)

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

Particulars	No of Shares	As at 31st March, 2025	No of Shares	As at 31st March, 2024
Equity Shares at the beginning of the year	57,88,002	578.80	57,88,002	578.80
Add : Addition/(deduction) during the year :	-	-	-	-
Equity Shares at the end of the year	57,88,002	578.80	57,88,002	578.80

(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 ₹ 10 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 of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

- (iii) 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, 2025		As at 31st March, 2024	
	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

- (iv) Details of Promoter holding (as per the register of members of the Company are as under) :

Name of Promoters	As at 31st March, 2025			As at 31st March, 2024		
	No of Shares	% held	% of change	No of Shares	% held	% of change
	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%	0.00%
Sumer Ajay Gehani	2,86,469	4.95%	0.00%	2,86,469	4.95%	0.00%

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

- (v) In the period of five years immediately preceding 31st March, 2025:

- The Company has not allotted any equity shares as fully paid up without payment being received in cash.
- The Company has not allotted any equity shares as fully paid up by way of bonus issue.
- The Company has not bought back any equity shares.

14. Other Equity

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital Reserve		
as per last Balance Sheet	10.10	10.10
	10.10	10.10
General Reserve		
as per last Balance Sheet	86.04	86.04
	86.04	86.04
Retained Earning		
as per last Balance Sheet	1,013.35	877.56
Add : Profit/(Loss) for the year	1.26	138.01
Add: Items of Other Comprehensive Income	0.76	(2.79)
Add: Remeasurement at fair value with respect of Leases	15.33	0.58
	1,030.70	1,013.35
Total	1,126.84	1,109.49



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

15. Non Current Borrowings

(Amount in Lakhs)

Particulars	Interest rate	Maturity date	As at 31st March, 2025	As at 31st March, 2024
Term loans(Secured)				
Vehicle loan (refer note (i))	9.75%	June - 2025	-	3.66
Total			-	3.66

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

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

(iii) Terms of repayment:

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

16. Non-current other financial liabilities -

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposit*	48.91	24.79
Total	48.91	24.79

*This includes lease deposits from lessee.

17. Non-current Provisions

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits		
- Gratuity (refer note 27)	0.01	0.12
Total	0.01	0.12

18. Current Borrowings

(Amount in Lakhs)

Particulars	Interest rate	Maturity date	As at 31st March, 2025	As at 31st March, 2024
<u>Secured</u>				
Cash credit facilities (refer note (i))	8.45% to 10.79%	Renewed in Feb 2024	886.02	1,113.79
Vehicle loan (refer note (ii))	9.75%	June -2025	3.66	13.70
Guaranteed Emergency Credit Line (GECL)				
term loans from bank (refer note (iii))	9.25%	June - 2024	-	21.41
Total			889.68	1,148.90

(i) Payable on demand and 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 institutions are secured against hypothecation of Vehicles. 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, 2025

- (iii) Guaranteed Emergency Credit Line (GECL) term Loans obtained from HDFC bank at the time of pandemic and 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.

(Amount in Lakhs)

Name of the Bank	Quarter ended	Amount as per the books of account	Amount as reported in quarterly return/ statement	Difference	Reason
HDFC Bank Ltd	Jun-2024	5,128.77	5,118.83	(9.94)	Arithmetical Mistake
HDFC Bank Ltd	Sept-2024	5,225.99	5,225.99	-	
HDFC Bank Ltd	Dec-2024	4,882.51	4,882.51	-	
HDFC Bank Ltd	Mar-2025	4,920.96	4,920.96	-	

19 Trade payables

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total outstanding dues of micro enterprise and small enterprises	-	22.03
Total outstanding dues of creditors other than micro enterprise and small enterprises	110.87	187.34
Total	110.87	209.37
Payable to related Parties	-	-
Payable to others	110.87	209.37
Total	110.87	209.37

19 Trade payables Ageing

Ageing for trade payables as at 31st March, 2025 is as follows:

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	2.25	-	108.62	-	-	-	110.87
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	2.25	-	108.62	-	-	-	110.87



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

19 Trade payables Ageing

(Amount in Lakhs)

Ageing for trade payables as at 31st March, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years.	More than 3 years	
(i) MSME	-	-	22.03	-	-	-	22.03
(ii) Others	-	-	187.34	-	-	-	187.34
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	-	-	209.37	-	-	-	209.37

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

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Principal amount remaining unpaid to any supplier as at the year end	-	22.03
Interest due thereon	-	0.00
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the each accounting year.	-	-
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 year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

20. Other Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits*	-	17.48
Total	-	17.48

*This includes lease deposits from lessee.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

21. Other current liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory dues	1.40	4.10
Deferred Income	16.79	14.28
Advance from customer	-	5.60
Other employee payables	0.55	11.50
Other payables	-	7.79
Total	18.74	43.28

22. Current Provisions

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits (refer note 27)		
- Gratuity	0.10	1.24
Total	0.10	1.24

23. Revenue From Operation

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
<u>Sale of products</u>		
Export Sale	-	45.15
Local Sales	1,997.21	2,664.20
Total	1,997.21	2,709.34

24. Other Income

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest Income	0.04	0.03
<u>Other non-operating income</u>		
Rent Income	142.31	133.01
Miscellaneous Income	7.06	-
Total	149.41	133.04

25. Cost of material consumed

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening stock of raw materials	1,252.88	1,036.23
<u>Add : Purchases</u>		
i) Gold	432.69	609.41
ii) Diamond	984.18	1,242.17
iii) Precious Stone	77.22	4.68
iv) Semi Precious Stone	0.01	1.87
v) Silver	0.16	0.14
v) Pearls	0.20	-
	1,494.47	1,858.27
Less : Closing stock of raw materials	1,616.51	1,252.88
Total	1,130.84	1,641.62



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening Stock :		
- Finished Goods	100.91	194.44
- Work-In-Progress	371.26	641.58
	472.17	836.02
Less : Closing Stock :		
- Finished Goods	49.02	100.91
- Work-In-Progress	43.86	371.26
	92.88	472.17
Total	379.28	363.85

27. Employee benefit expense

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries and wages	192.35	187.75
Contribution to provident and other funds	12.48	12.55
Staff welfare expense	5.82	9.13
Total	210.65	209.43

(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	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Contribution to Provident fund	10.08	9.83
ESIC and Labour welfare fund	0.10	0.08

Defined Benefit Plan :

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 whichever is earlier 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. The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

The following table sets out status of gratuity plan as required under Indian Accounting Standard 19 on "Employee Benefit".

(Amount in Lakhs)

Particulars	Gratuity	
	31st March,2025	31st March,2024
a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
<i>Defined Benefit Obligation at beginning of the year</i>	23.71	18.91
Current Service Cost	1.90	1.70
Interest Cost	1.71	1.38
Benefits Paid	-	(0.53)
Actuarial (Gain) / Loss	(0.15)	2.25
<i>Defined Benefit Obligation at year end</i>	27.18	23.71
b) Reconciliation of opening and closing balances of fair value of Plan Assets		
<i>Fair value of Plan Assets at beginning of year</i>	22.36	17.55
Expected Return on Plan Assets	1.72	1.43
Actuarial Gain / (Loss)	0.11	0.02
Employer Contribution	2.88	3.89
Benefits Paid	-	(0.53)
Admin expenses /Taxes paid from plan assets	-	-
<i>Fair value of Plan Assets at year end</i>	27.07	22.36
Actual return on Plan Assets	1.83	1.44
c) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	27.07	22.36
Present value of Obligation	27.18	23.71
Net asset/(liability) recognized in Balance Sheet	(0.11)	(1.35)
Out of which,		
Non-current portion (Refer Note 17)	(0.01)	(0.12)
Current portion (Refer Note 22)	(0.10)	(1.24)
	(0.11)	(1.35)
d) Expenses recognised during the year		
<i>In Statement of Profit and Loss</i>		
Current Service Cost	1.90	1.70
Interest Cost	1.71	1.38
Administrative Expenses/Taxes/Insurance Cos	-	-
Return on Plan Assets	(1.72)	(1.43)
Net Cost	1.90	1.65
<i>In Other Comprehensive Income</i>		
Actuarial (Gain) / Loss	(0.15)	2.25
Return On Plan Assets	(0.11)	(0.02)
Net (Income)/ Expense for the period Recognised in OCI	(0.26)	2.23



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Particulars	Gratuity	
	31st March,2025	31st March,2024
e) Remeasurement effects recognized in other comprehensive Income		
Actuarial (gain)/losses due to demographic assumption changes in DBO	-	-
Actuarial (gain)/losses due to financial assumption changes in DBO	0.76	0.26
Actuarial (gain)/losses due to experience on DBO	(0.91)	1.99
Return on Plan Assets (Greater)/less than Discount rate	(0.11)	(0.02)
Total actuarial (gain)/loss included in OCI	(0.26)	2.23
Defined Benefit Cost		
Cost Recognised in P&L	1.90	1.65
Remeasurement Effect Recognised in OCI	(0.26)	2.23
Total Defined Benefit Cost	1.64	3.89
Amount not recognised as an assets	-	-
<i>Net Expenses in OCI</i>	1.64	3.89
 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	0.76	0.26
Actuarial (Gain)/ Losses due to Experience on DBO	(0.91)	1.99
Return on Plan Assets (Greater) / Less than Discount rate	(0.11)	(0.02)
Total Accrual Gain / Loss included in Other Comprehensive Income	(0.26)	2.23

Assumptions	Gratuity	
	31st March,2025	31st March,2024
Discount Rate	6.75%	7.23%
Expected return on assets	7.23%	7.42%
Salary Escalation	5.00%	5.00%
Attrition Rate	11.87%	11.87%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding all other assumptions constant, would have affected the defined benefit obligation as shown below:

(Amount in Lakhs)

Particulars	31st March, 2025		31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate 100 basis points	(1.45)	1.61	(1.30)	1.44
Salary growth 100 basis points	1.59	(1.46)	1.43	(1.31)
Attrition Rate 100 basis points	0.05	(0.06)	0.08	(0.09)
Mortality Rate 10%	0.00	-	0.00	-

- The sensitivity analysis is based on a change in an actuarial assumptions namely Discount rates, Salary growth, Attrition & Mortality while holding all other assumptions constant.
- The method used for valuing the liability is the "Projected Unit Credit Method" (PUC) as prescribed under Ind AS 19.
- As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.
- Where later years of service lead to materially higher benefits, the benefit is attributed on a straight-line basis over the period of service

Maturity Analysis

Projected benefits payable in future years from the date of reporting

(Amount in Lakhs)

Particulars	Gratuity	
	31st March, 2025	31st March, 2024
Year (I)	1.68	4.10
Year (II)	1.54	1.41
Year (III)	1.40	1.30
Year (IV)	4.13	1.18
Year (V)	2.05	3.93
Next 5 year pay-outs (6-10 years)	13.78	12.63
Pay-outs Above Ten Years	18.10	14.46

The above maturity analysis represents undiscounted expected benefit payments from the defined benefit plan.

28. Finance costs

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Interest expense	119.62	131.71
Total	119.62	131.71



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

29. Other expenses

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Manufacturing Expenses		
Consumption of Tools	17.73	25.11
Assortment, Certification, Designing Charges	4.02	3.88
Electricity Charges	10.56	8.88
Labour Charges	7.71	18.98
Selling & Distribution Expenses		
Advertisement Expenses	0.73	0.39
Clearing & Forwarding Charges	-	1.25
Exhibition Expenses	28.88	35.99
Sales Promotion	31.53	38.78
Establishment Expenses		
Bank Charges	3.20	3.31
Professional Charges	13.26	15.53
General Expenses	15.65	20.90
Insurance	13.16	14.34
Rates & Taxes	6.10	5.99
Travelling & Conveyance Expenses	25.18	40.66
Payment to Auditors (refer note 36)	2.50	2.50
Donation	6.44	7.16
Printing & Stationery	1.86	1.98
Repairs & Maintenance (Others)	9.40	8.22
Security Expenses	11.79	12.10
Telephone Expenses	1.41	1.29
Vehicle Expenses	11.66	8.78
Director Sitting Fees	2.10	1.13
Net loss on foreign currency transaction and translation	-	0.02
Assets written-off	-	0.44
Statutory Expenses		
Profession Tax	0.03	0.03
Sales & Other	0.05	0.49
Expected Credit Loss	18.78	-
Total	243.73	278.14



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

30. Tax Expense

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

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current tax :		
Current tax on profits for the year	-	42.00
Short/excess provision for tax of prior periods	9.46	-
	9.46	42.00
Deferred tax:		
In respect of current year origination and reversal of temporary differences	2.01	(12.01)
	2.01	(12.01)
Total (A)	11.47	29.99
Tax charge recognized in other comprehensive income		
Remeasurement of post-employment benefit obligations	(0.50)	0.56
Total (B)	(0.50)	0.56
Total (A+B)	10.98	30.55

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

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Accounting profit before income-tax :	12.73	167.99
Applicable Indian statutory income-tax rate	25.168%	25.168%
Computed expected tax expense	3.20	42.28
Tax effect of :		
Adjustments in respect of current income tax of previous years	9.46	-
Tax exempt income	-	-
Deferred tax expense/(income) accounted through OCI	(0.50)	0.56
Effect of deductible expenses	(3.20)	(0.28)
Excess tax adjustment	-	-
Current tax provision	8.97	42.56
Incremental deferred tax liability on account of tangible and intangible assets	2.01	(12.01)
Deferred tax provision	2.01	(12.01)
Income-tax expense	10.98	30.55
At the effective income tax rate of 25.168 % (31st March 2024 : 25.168 %)		
-Refer Note 5 for Movement in Deferred Tax Asset and Liabilities		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

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.

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Lease Rentals	142.31	133.01

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	As at 31st March, 2025	As at 31st March, 2024
Less than one year	143.74	110.36
One to two years	148.83	76.54
Two to three years	71.88	80.37
Three to four years	75.48	-
Four to five years	48.62	-
More than five years	-	-
Total Undiscounted	488.55	267.28

Notes:

1. The Company has not identified any lease income relating to variable lease payments that depend on an index or a rate.
2. 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

33 Earnings per equity share

Basic & Diluted Earnings Per Share (EPS)

(Amount in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
i) Profit attributable to Equity Shareholders of the company (Amount in Lakhs)	1.26	138.01
ii) Weighted average number of equity shares outstanding during the year	57.88	57.88
iii) Basic Earnings per Share (Rs.)	0.02	2.38
iv) Diluted Earnings per Share (Rs.)	0.02	2.38
v) Face Value per Equity Shares (Rs.)	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 31st March, 2025 and 31st March, 2024 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.

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 & CFO
iii)	Mr. Rajesh Aroa	Independent Director (Retired w.e.f. 31.03.2024)
iv)	Mr. Mohanram Pai	Independent Director (Retired w.e.f. 31.03.2024)
v)	Mr. Narasinha Narayan Pal	Independent Director
vi)	Mr. Jigar Mahesh Darji	Independent Director
vii)	Mr. Akshay Jain	Company Secretary

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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)

S r . No.	Nature of Transactions	Enterprises over which Key Managerial Personnel are able to exercise Significant Influence		Key Managerial Personnel		Relatives of Key Managerial Personnel	
		31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Transactions during the year							
i)	Remuneration paid : Mr. Ajay R. Gehani	-	-	36.00	36.00	-	-
ii)	Professional Charges paid : Mrs. Arundhati Mali	-	-	3.95	3.96	-	-
iii)	Sales of goods : Sovereign Jewellery Pvt. Ltd. Mrs. Deepika A. Gehani	56.34	82.67	-	-	-	-
iv)	Rent Received : Sovereign Jewellery Pvt. Ltd.	3.00	3.00	-	-	7.83	-
v)	Purchase of goods : Sovereign Jewellery Pvt. Ltd.	-	1.21	-	-	-	-
vi)	Loan Taken and Repaid : Sovereign Jewellery Pvt. Ltd. Mr. Ajay R. Gehani	-	26.50	-	-	-	-
vii)	Expenses incurred/ reimbursement received Sovereign Jewellery Pvt. Ltd.	-	-	13.00	-	-	-
viii)	Directors' Sitting Fees : Mr. Rajesh Aroa Mr. Mohanram Pai Mrs. Arundhati Mali Mr. Narasinha Narayan Pal Mr. Jigar Mahesh Darji	-	-	-	0.38 0.38 0.75 0.75 0.60	-	-
ix)	Reimbursement of expenses : Mrs. Arundhati Mali Mrs. Deepika A. Gehani	-	-	0.83	-	-	-
x)	Salary Mr. Akshay Jain	-	-	2.12	2.12	0.04	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Sr. No.	Nature of Transactions	Enterprises over which Key Managerial Personnel are able to exercise Significant Influence		Key Managerial Personnel		Relatives of Key Managerial Personnel	
		31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
i)	Balance outstanding at the year end	Nil	Nil	Nil	Nil	Nil	Nil

* Keyman Insurance Premium of Rs. 8 Lakhs of current period (Rs.7.50 Lakhs of previous year) paid for a Director is not included in above.

* Mediclaim premium paid Rs. 0.28 Lakhs of current year (Rs.0.98 Lakhs of previous year) for Director is not included above.

36. Payment to Auditors as:

(Amount in Lakhs)

Particulars		Year Ended 31st March, 2025	Year Ended 31st March, 2024
i)	As Auditors	2.00	1.00
ii)	Tax Audit Fees	0.50	0.50
iii)	Income Tax Fees	-	1.00
	Total	2.50	2.50

*Excluding applicable taxes

37 Fair Value Measurement

i) Financial Instruments by Category and their fair value :

(Amount in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets :				
Loans	-	1.00	-	0.72
Other Financial Assets	-	5.75	-	6.50
Trade receivables	-	609.74	-	937.62
Cash and cash equivalents	-	1.47	-	2.66
Total	-	617.96	-	947.50
Financial Liabilities				
Borrowings	-	889.68	-	1,152.56
Other financial liabilities	-	48.91	-	42.27
Trade payables	-	110.87	-	209.37
Total	-	1,049.47	-	1,404.20

a) The carrying value of trade receivables, 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 credit risk, liquidity risk and market 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, loans, trade receivables, 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 - foreign currency	Recognised financial assets and liabilities not denominated in Indian rupee. However company is not having outstanding receivable or payables not denominated in Indian Rupees	Cash flow forecasting sensitivity analysis	Forward Contracts
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.

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, 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



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.

Detail of trade receivables that are past due is given below:

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Not due	-	-
0-30 days past due	5.39	386.83
31-60 days past due	90.86	115.04
61-90 days past due	24.24	120.92
More than 90 days past due	508.04	314.84
Total	628.52	937.63

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. For the year ended 31st March, 2024, 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.

An impairment analysis is carried out on 31st March 2025, based on the conditions existing on that date, to identify any expected losses due to the time value of money and credit risk. The company reviews customer payment history and adjusts the estimates to account for any possible delays or risk of non-payment. To do this, receivables are grouped based on their type. Each group is then assessed for potential loss using the Expected Credit Loss (ECL) model as per Ind AS 109 – Financial Instruments. The calculation uses a provision matrix that is based on actual past data, adjusted for future expectations. Even though defaults are uncommon, the provision matrix helps to identify risks early, even if past losses are low.

Movement in allowance for expected credit loss :

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	-	-
Add : Allowance for the year	18.78	-
Less : Reversal of allowance	-	-
Balance at the end of the year	18.78	-

The credit risk for cash and cash equivalents, loans and other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. 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

Financing arrangements

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

(Amount in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Expiring within one year (bank overdraft and other facilities)	889.68	1,148.90
Expiring beyond one year (bank loan)	-	3.66
Total	889.68	1,152.56

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, 2025	Carrying Amount	Total contractual cash flow	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 year
Non-derivatives							
Borrowings	889.68	889.68	886.02	3.66		-	-
Trade payable	110.87	110.87	-	110.87			-
Other financial liabilities	48.91	66.60	-	-	33.00	-	33.60
Total	1,049.47	1,067.15	886.02	114.53	33.00	-	33.60

As at 31st March, 2024	Carrying Amount	Total contractual cash flow	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year
Non-derivatives							
Borrowings	1,152.56	1,152.56	1,113.79	35.10	3.66	-	-
Trade payable	209.37	209.37	-	209.37	-	-	-
Other financial liabilities	42.27	57.66	-	24.66	-	33.00	
Total	1,404.20	1,419.59	1,113.79	269.13	3.66	33.00	-

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types



of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include foreign currency receivables and payables, borrowings and trade payables.

i) Market risk - foreign currency

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar or Euro. 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, 2025	As at 31st March, 2024
i) Expenditure		
a) Foreign Travels	-	5.05
b) Exhibition Charges	9.75	18.87

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

Particulars	As at 31st March, 2025	As at 31st March, 2024
i) F.O.B.Value of Exports	-	43.51

Foreign currency sensitivity

As at 31st March 2025 and 31st March 2024, the Company did not have any outstanding foreign currency denominated monetary assets or liabilities. Accordingly, the Company has no material foreign currency risk exposure at the reporting date, and a foreign currency sensitivity analysis has not been presented.

ii) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings.

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March 2025, 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, 2025	As at 31st March, 2024
Variable rate borrowing	886.02	1,113.79
Fixed rate borrowing	3.66	38.77
Total Borrowings	889.68	1,153.56



Sensitivity

As at 31st March, 2025 and 31st March, 2024, financial liabilities of Rs. 886.02 Lakhs and Rs.1113.79 Lakhs 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.4.43 Lakhs and Rs.5.57 Lakhs for the year ended March 31, 2025 and March 31, 2024 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.

iii) Market risk -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.99.86 Lakhs (previous year Rs.135.47 Lakhs).

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 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) During financial year 2024-25 and financial year 2023-24, the Company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (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 any other lender.
- (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 has not entered into any Scheme of Arrangement under section 230 to 237 of the Companies Act, 2013.
- (xi) The Company is not the holding Company. Hence disclosure requirements pertaining to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.



(xii) The Company does not have intangible assets under development as at 31st March, 2025 and 31st March, 2024.

**43 Annexure “A” to the Financial Statements - Disclosure with respect to Ratio
As at 31st March, 2025**

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
			2024-2025	2023-2024		
(a) Current Ratio (Times)	Current Assets	Current Liability	2.32	1.90	22.39%	-
(b) Debt Equity Ratio (Times)	Borrowings+ Interest Accrued	Shareholders Equity	0.52	0.68	-23.59%	-
(c) Debt Service Coverage Ratio (Times)	Net Profit after Tax +Depreciation+ Interest+Loss on sale of Fixed Assets	Debt Service = Interest & Lease payments+ Principal Repayments	0.06	0.11	-44.87%	Decrease in net profit after tax has resulted into decrease in Debt Service Coverage Ratio
(d) Return on Equity Ratio (Percentage)	Net Profit after Tax- Preference Dividend (if any)	Average Shareholder's Equity	0.07%	8.52%	-99.13%	Decrease in net profit after tax has resulted into decrease in retrun on equity
(e) Inventory turnover ratio (Times)	Cost of Goods sold or Sales	Average Inventory(Opening Inventory + Closing Inventory) /2	1.16	1.51	-22.79%	-
(f) Trade Receivables Turnover ratio (Times)	Net Credit Sales	Average Accounts Receivables	2.58	3.07	-15.98%	-
(g) Trade Payables turnover (Times)	Net Credit Purchases	Average Trade Payables	9.33	8.15	14.52%	-
(h) Net Capital turnover ratio (Times)	Net Sales	Working Capital	1.48	2.13	-30.30%	Decrease in revenue has resulted into decrease in Net capital Turnover ratio
(i) Net Profit Ratio (Percentage)	Net Profit	Net Sales	0.06%	5.09%	-98.76%	Decrease in net profit after tax has resulted into decrease in net profit ratio
(j) Return on Capital Employed (Percentage)	Earning before interest and taxes	Capital Employed	5.10%	10.55%	-51.66%	Decrease in earnings before interest and tax has resulted into decrease in return on capital employed
(k) Return on investment (Percentage)	Net Profit after Tax	Total Equity	0.07%	8.17%	-99.10%	Decrease in net profit after tax has resulted into decrease in return on investment

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.

45 Note 1 to 44 forms an integral part of Balance Sheet and Statement of Profit & Loss Account.

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 27, 2025

UDIN : 25017669BMJABH7202

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.