



Date: 28<sup>th</sup> August, 2018

To  
The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400051

**SYMBOL:SONAMCLOCK**

**SUB: Submission of Annual Report for The Financial Year 2017-18**

**REF: Regulation 34(1) Of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

Dear Sir/Madam,

With reference to above captioned subject and pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report for the financial year 2017-18 duly approved and adopted by the Shareholders of the company as per provisions of the Companies Act, 2013 at the 17<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2018.

The copy of Annual report 2017-18 is enclosed herewith.

Please take the same on your record.

Thanking you.  
Your Sincerely,  
For, Sonam Clock Limited

Jayeshbhai Chhabildas Shah  
Chairman & Managing Director  
DIN:00500814



**Sonam Clock Limited**

CIN : U33302GJ2001PLC039689

**Registered Office :** Survey No.337/P Morbi Rajkot Highway, At Lajai, Tal. Tankara, Dist. Morbi, Gujarat - 363641.  
Phone : + 91 2822 285017, 9978052717 Fax : + 91 2822 285987. email : info@sonamquartz.com, url : www.sonamquartz.com

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of SONAM CLOCK LIMITED will be held on Monday, 13<sup>th</sup> August, 2018 at 03:00 P.M., at the registered office of the company at Survey No. 337/p, Morbi - Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi, Gujarat – 363641, to transact the following business:

### **ORDINARY BUSINESS:**

#### **Item no. 1 - Adoption of financial statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.

#### **Item no. 2 – Appointment of Mrs. Deepaben Jayeshbhai Shah as a director liable to retire by rotation**

To appoint a Director in place of Mrs. Deepaben Jayeshbhai Shah (DIN: 01981533), who is liable to retire by rotation in terms of Sections 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment.

#### **Item no. 3 Appointment of Ms. Rutvi Jayeshbhai Shah as a director liable to retire by rotation**

To appoint a Director in place of Ms. Rutvi Jayeshbhai Shah (DIN: 08071124), who is liable to retire by rotation in terms of Sections 152(6) of Companies Act, 2013 and being eligible offers herself for re-appointment.

#### **Item no. 4 – Appointment of Statutory Auditors**

To appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

The audit committee of the Company has proposed and on 10<sup>TH</sup> June, 2018, the Board has recommended the appointment of S V K & Associates, Chartered Accountants as the statutory auditors of the Company. S V K & Associates will hold office for a period of five consecutive years from the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company to till the conclusion of the 22<sup>nd</sup> Annual General Meeting to be held in 2023.

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Act, including any statutory modifications, amendments or re-enactments thereof for the time being in force, pursuant to the proposal of the audit committee of the Board and recommendation of the Board, subject to approval of the members of the Company be and is hereby accorded to appoint M/s. SVK & ASSOCIATES, Chartered Accountants, (FRN: 118564W), as Statutory Auditor of the company who shall hold the office as statutory auditor from the conclusion of this Annual General Meeting (“AGM”) to till the conclusion of the 22<sup>nd</sup> AGM to be held in the year 2023, on a remuneration that may be determined by the audit committee in consultation with the auditors.”

**“RESOLVED FURTHER THAT** all the Directors of the Company, be and are hereby severely authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E Forms with Registrar of Companies.”

Date: 10.06.2018

Place: Lajai

By Order of the Board of Directors,  
For, SONAM CLOCK LIMITED

**Registered Office:**

Survey No. 337/p,  
Morbi - Rajkot Highway,  
Lajai, Tal. Tankara, Dist.  
Morbi, Gujarat – 363641

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Sd/

Jayeshbhai Chhabildas Shah  
Chairman & Managing Director  
DIN: 00500814

\_\_\_\_\_  
Sd/

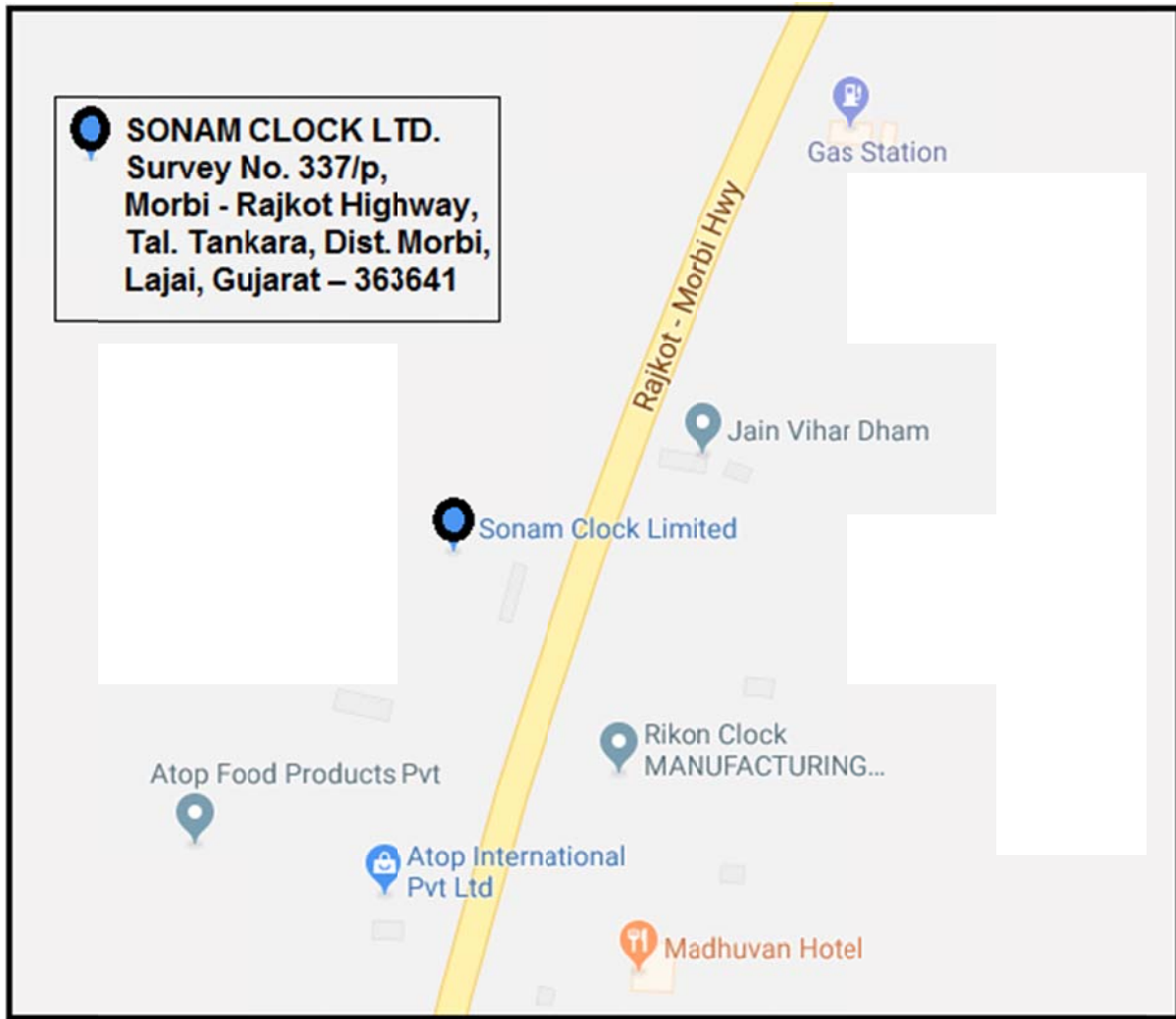
Deepaben Jayeshbhai Shah  
Whole time Director  
DIN: 01981533

**NOTES:**

- a) **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 the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting. The proxy form is enclosed herewith the Notice.**
- b) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- c) Members are requested to advise immediately any change in their address to the Company.

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## Route Map to the AGM Venue



## DIRECTORS' REPORT

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To,  
The Members,  
SONAM CLOCK LIMITED

Your Directors are pleased to present the annual report and audited financial statements for the financial year ended 31<sup>st</sup> March, 2018.

### Financial Performance

The highlights of the financial results for the financial year 2017-18 are as under:

(Rs. In Lakhs)

Particulars	March 31, 2018	March 31, 2017
<b>Financial Performance</b>		
Income From Operation (Gross)	5281.92	3831.40
Other Income	14.33	74.15
<b>Total Income</b>	<b>5296.26</b>	<b>3905.55</b>
Depreciation & amortization	103.94	100.39
Provision of Tax	112.50	31.00
Deferred Tax	(3.14)	12.54
Net Profit/Loss	290.39	84.68
<b>Share Capital Details</b>		<b>(Amt. in Rs.)</b>
Authorized Equity Share Capital	11,00,00,000	6,00,00,000
Paid up Equity Share Capital	7,20,00,000	5,40,00,000

### Dividend and Reserve

In order to conserve the reserve, your directors do not recommend any dividend for the financial year ended, 31<sup>st</sup> March, 2018.

### Conversion into Public Limited Company

Your company converted from private limited company to Public limited Company during the year under review. The Company had received a fresh certificate of Incorporation on 7<sup>th</sup> February, 2018 consequent upon conversion into public limited company.

### Initial Public Offering

During the year under review the Company has taken approval of shareholders on 26<sup>th</sup> February, 2018 to make Initial Public Offer and filed Final Prospectus filed with NSE Emerge and Register of Companies, Gujarat, Ahmedabad as the in-principal approval received from NSE on 27<sup>th</sup> April, 2018.

**Business Performance**

The net revenue from operations for FY 2017-18 at Rs. 5281.92 Lakhs as compared to in FY 2016-17 of Rs. 3831.40 Lakh. However, the profit after tax increased from Rs. 84.68 Lakhs to Rs. 290.39 Lakhs.

**Material Changes**

There were no Material Changes and Commitments affecting the financial position of the Company which occurred till the end of the financial year.

**Share Capital**

During the year under review, the Company has increased its authorized share capital from Rs. 6,00,00,000 (Rupees Six Crores only) to Rs. 10,00,00,000 (Rupees Ten Crores only) and from Rs. 10,00,00,000 (Rupees Ten Crore only) to Rs. 11,00,00,000 (Rupees Eleven Crores only), in the Extra Ordinary General meeting of the members held on 30<sup>th</sup> November, 2017 and 30<sup>th</sup> December, 2017 respectively.

During the year under review, the company has issued and allotted bonus in the ratio of 1(one) equity shares of Rs. 10/- (Rupees Ten only) fully paid up to every 3(three) equity shares held by the members in the Company on the record date. Consequently, the Company has issued and allotted 18,00,000 equity shares of Rs. 10/- (Rupees Ten only) each in the Company on 23rd December, 2017 by making aggregate Paid up Share Capital of Rs. 7,20,00,000 (Rupees Seven Crores Twenty Lakhs only).

**Deposits**

The Company has not accepted any deposits and as such no amount on account of principal or interest on deposits was outstanding as on the date of balance sheet.

**Particulars of Loans, Guarantee or Investments**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during the financial year 2017-18.

**Internal Controls and their adequacy**

The Company has clear delegation of authority and standard operating procedures. The Company has a well-established internal control system. The Company strives to maintain a dynamic system of internal controls over financial reporting commensurate with the nature and scale of operations of the Company.

**Details of Holding, subsidiary and Associates**

The Company has no holding, subsidiary and associate Company

**Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

- a. Conservation of Energy: Energy conservation is very important for the company and therefore energy conservation measures are undertaken wherever practicable in its plant and attached facilities. The Company is making every effort to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment with latest technologies.
- b. Technology absorption: The Company continuous to use the latest technologies for improving the productivity and quality of its services and products.
- c. Foreign exchange Earnings and Outgo: The foreign exchange earnings and out flow during the period under review.

Particulars	Amount in Rs.
Outflow	--
Earning	Rs. 11,18,64,518

#### **Directors and Key Managerial Personnel**

Ms. Sejal Hareshbhai Shah appointed as Company Secretary with effect from 6<sup>th</sup> November, 2017.

Mr. Shreyansh Vijaybhai Vora appointed as Independent director with effect from 30<sup>th</sup> December, 2017.

Mr. Jayeshbhai Chhabildas Shah appointed as the Managing Director of the Company with effect from 29<sup>th</sup> January, 2018.

Mrs. Deepaben Jayeshbhai Shah appointed as the Whole time Director of the Company with effect from 29<sup>th</sup> January, 2018.

Mr. Amitbhai Jamnadas Vaghajiyani appointed as Chief Financial Officer of the Company with effect from 21<sup>st</sup> February, 2018.

Mr. Jigar Dipakbhai Mehta appointed as Independent director with effect from 26<sup>th</sup> February, 2018.

Ms. Rutvi jayeshbhai shah appointed as director with effect from 26<sup>th</sup> February, 2018.

As per Provisions of Section 152 of the Companies Act, 2013, Mrs. Deepaben Jayeshbhai Shah liable to retires by rotation at the ensuing Annual General Meeting and being eligible in terms of 164 of the act and offer herself for re-appointment.

As per Provisions of Section 152 of the Companies Act, 2013, Ms. Rutvi Jayeshbhai Shah liable to retires by rotation at the ensuing Annual General Meeting and being eligible in terms of 164 of the act and offer herself for re-appointment

**Industrial Relation**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**Registered Office of the Company**

During the year under review, the registered office of the company is shifted from Time Tower 2, Laati Plot, Morbi, Gujarat -363741 to Survey No. 337/p, Morbi Rajkot Highway, At. Lajai, Tal. Tankara, Dist. Morbi, Gujarat – 363641 with effect from 30<sup>th</sup> November, 2017.

**Board Meeting**

Board Meetings During the year 2017-18, the Board of Directors met Sixteen (16) times, viz. 07.04.2017, 14.07.2017, 31.08.2017, 01.10.2017, 06.11.2017, 10.12.2017, 23.12.2017, 03.01.2018, 30.01.2018, 14.02.2018, 21.02.2018, 28.02.2018, 20.03.2018, 23.03.2018, 27.03.2018 and 30.03.2018. The interval between any two meetings was well within the maximum allowed gap of 120 days.

Name of Director	Category	No of Meetings	
		Held & Entitled to Attend	Attended
Jayeshbhai Chhabildas Shah (Chairman & Managing Director)	Executive	16	16
Deepaben Jayeshbhai Shah (Whole time Director)	Executive	16	16
Shreyansh Vijaybhai Vora (Independent Director)	Non-Executive & Independent	9	8
Jigar Dipakbhai Mehta (Independent Director)	Non-Executive & Independent	5	3
Rutvi Jayeshbhai Shah	Non-Executive	5	5

**Committees of the Board**

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, currently, your Board has three (3) Committees viz. Audit Committee, Nomination and Remuneration committee and Stakeholder relationship Committees in accordance with the requirements of the Companies Act, 2013, terms of reference and other details of all board level committees have been elaborated in detail.

**AUDIT COMMITTEE:**

The Committee was constituted on 28<sup>th</sup> February, 2018 it comprises of non-executive Independent Director and Managing Director as its Member. The Chairman of the committee is Independent director.

Composition of Audit Committee and Number of Meetings during the year.



Name of the Director	Status in Committee	Nature of Directorship
Mr. Shreyansh Vijaybhai Vora	Chairman	Non-Executive-Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Non-Executive-Independent Director
Mr. Jayeshbhai Chhabildas Shah	Member	Managing Director

No meeting of Audit committee was held during the year.

#### NOMINATION AND REMUNERATION COMMITTEE:

The Committee was constituted on 28<sup>th</sup> February, 2018 it comprises of non-executive Independent Director and Non-Executive Director as its Member. The Chairman of the committee is Independent director.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shreyansh Vijaybhai Vora	Chairman	Non-Executive-Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Non-Executive-Independent Director
Ms. Rutvi Jayeshbhai Shah	Member	Non-Executive Director

The Committee held one (1) meeting during the year on 27.03.2018.

Name of Director	Category	No of Meetings	
		Held	Attended
Mr. Shreyansh Vijaybhai Vora (Chairman)	Non-Executive-Independent	1	1
Mr. Jigar Dipakbhai Mehta	Non-Executive-Independent	1	1
Ms. Rutvi Jayeshbhai Shah	Non-Executive	1	1

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee was constituted on 28<sup>th</sup> February, 2018 it comprises of non-executive Independent Director and Whole time director as its Member. The Chairman of the committee is Independent director.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shreyansh Vijaybhai Vora	Chairman	Non-Executive-Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Non-Executive-Independent Director
Mrs. Deepaben Jayeshbhai Shah	Member	Whole Time Director

No meeting of Stakeholders Relationship Committee was held during the year.

**Declaration by Independent Director**

The Independent Directors on the Board have given declaration of their independence to the Company as required under Section 149(6) of Companies Act, 2013.

**Director Remuneration**

Member's attention is drawn to Financial Statements wherein the disclosure of remuneration paid to Directors is given during the year 2017-18. No Sitting fees have been paid to the directors.

**Directors Responsibility Statement**

On behalf of the Directors, I confirm that as required under clause (c) of sub-section (3) of section 134 of the Companies Act, 2013.

- a) Applicable accounting standards have been followed with explanation for any material departures;
- b) We have Selected accounting policies have been applied consistently to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts are prepared on a going concern basis; and
- e) We had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. This will ensure legal compliance in all area of companies operations.

**Related Party Transactions**

All contracts/arrangements/transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with related parties which may have potential conflict with the interest of the company at large. Your Directors draw your attention to notes to the financial statements for detailed related parties' transactions entered during the year.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis, FORM AOC- 2 is not applicable to the Company.

**Review of Auditors Report**

The Directors are pleased to inform you that the Statutory Auditors of the Company have not made any adverse remarks in their Audit Report.

**Auditors**

The audit committee of the Company has proposed and on June 10, 2018, the Board of Directors of the Company has recommended the appointment of S V K & Associates, Chartered Accountants as the statutory auditors of the Company. S V K & Associates will hold office for a period of five consecutive years from the conclusion of the 17<sup>th</sup> Annual General Meeting of the

Company scheduled to be held on August 13, 2018, till the conclusion of the 22<sup>nd</sup> Annual General Meeting to be held in the year 2023, subject to the approval of shareholders of the Company.

### **Extract of Annual Return**

The details forming part of the extract of annual return on prescribed form MGT -9 is annexed hereto as “**Annexure I**” and form part of this report.

### **Business Risk Management**

The Company has implemented various policies from ground level to the top level management for identifying the risk, measuring the same and takes corrective measures for managing the risk.

### **Particulars of employees**

During the year under review, there was no managerial personnel/employee whose information required to be provided under Section 197 of the Companies Act, 2013, read with Rule 5, sub-rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Corporate Social Responsibility**

The provision of section 135 of Companies Act, 2013 for implementing Corporate Social Responsibility Policy, constitute committee and expenditure thereof is not applicable to the company since the company is not meeting with the criteria of net-worth, turnover or net profits mentioned therein.

### **Evaluation of Board Performance**

The Board has set up certain parameters based on which the Board internally evaluated all the directors excluding the director being evaluated and the Chair Person by other directors. The evaluation process included assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

***Manner of evaluation:*** A framework for evaluation has been prepared and based on the framework, questionnaire has been made including different specific topics of evaluation and setting out different parameters / criteria against which the different topics as to the Board and its committees, Chairman and non-independent directors, have been evaluated, both individually and collectively, based on inputs received from directors and internal sources.

### **Other Regulatory Requirement**

The Company has been complied with all regulatory requirements of central government and state government and there were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the Company's operations in future.

### **Cost Audit Report**

As per provision of section 148(3) of Companies Act, 2013 and rule 6(2) of Companies (Cost records and audit) Rules, 2014, the company is not required to appoint a cost auditor to audit the cost records of the company for cost audit report.

**Secretarial Audit Report**

The provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company since the Company is not covered under the said provisions presently.

**Vigil Mechanism**

Your Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

**Social Initiative**

Your Company is a socially responsible corporate citizen. In keeping with the Company's commitment towards contribution to community welfare, the Company and its employees continue to support and closely associated with Friends of environment a non-government organization and involved in numerous activities like tree plantation, cleanliness drive, creation of social awareness, dissemination of information concerning Environment and Pollution and host of other activities for the cause of environment protection at Company's various locations.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules there under.

**Acknowledgement and appreciation**

Your Directors express their grateful appreciation for the assistance and co-operation received from the financial institutions, banks, central and state governments, customers, vendors, suppliers, business partners/associates and shareholders during the financial year. Your Directors would also like to once again place on record their appreciation, for the employees across levels, who through their dedication, cooperation, support and intelligence have enabled the Company to move towards achieving its corporate objectives.

For and on behalf of the Board  
SONAM CLOCK LIMITED

Date: 10.06.2018

Place: Lajai

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Sd/  
Jayeshbhai Chhabildas Shah  
Chairman & Managing Director  
DIN: 00500814

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Sd/  
Deepaben Jayeshbhai Shah  
Whole time Director  
DIN: 01981533

**Annexure I to Boards Report**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on**  
**31<sup>st</sup> March, 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	U33302GJ2001PLC039689
ii) Registration Date	21/06/2001
iii) Name of the Company	SONAM CLOCK LIMITED
iv) Category/Sub-Category of the Company	Company Limited by Shares
v) Address of registered Office and Contact Details	Survey No. 337/p, Morbi Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi, Rajkot - 363641 Contact No. : +91 2822 285017 E-mail Id: <a href="mailto:info@sonamquartz.com">info@sonamquartz.com</a> Website: <a href="http://www.sonamquartz.com">www.sonamquartz.com</a>
vi) Whether Listed Company	-----NO-----
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri( East), Mumbai-400059 Tel. : +91-022-62638200 Fax : +91-022-62638299 Email: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of watches and clocks	NIC- 2652	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
-----NIL-----			

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### ***i) Category-wise Share Holding***

[illegible]

h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	--	--	--	--	--	--	--	--	--
<b>2. Non-Institutions</b>									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	--	--	--	--	--	--	--	--	--
Total Shareholding (B)=(B)(1)+ (B)(2)	--	--	--	--	--	--	--	--	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	--	<b>5400000</b>	<b>5400000</b>	<b>100</b>	--	<b>7200000</b>	<b>7200000</b>	<b>100</b>	<b>Nil</b>

**ii. Shareholding of Promoter and Promoter group:**

Sr. No	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jayeshbhai Chhabildas Shah	4679700	86.66	--	6239200	86.656	--	(0.004)
2	Deepaben Jayeshbhai Shah	360000	6.67	--	480000	6.67	--	Nil
3	Jayeshbhai Chhabildas Shah – Karta (HUF)	360300	6.67	--	480400	6.67	--	Nil
4	Harshil Jayesh Shah	0	0	--	100	0.001	--	0.001
5	Jatin Shashikant Movani	0	0	--	100	0.001	--	0.001
6	Amitbhai Jamnadas Vaghajiyani	0	0	--	100	0.001	--	0.001
7	Samir Champaklall Doshi	0	0	--	100	0.001	--	0.001
	<b>TOTAL</b>	<b>5400000</b>	<b>100</b>	<b>---</b>	<b>7200000</b>	<b>100</b>	<b>---</b>	<b>Nil</b>

**iii.) Change in Promoter and Promoter Group Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>5400000</b>	<b>100</b>	--	--
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b># There is change in Promoters and Promoter Group Shareholding during the financial year 2017-18.</b>			
	At the end of the year	<b>7200000</b>	<b>100</b>	--	--



### # Change in Promoters and Promoter Group Shareholding

SR. No	Name	Date	Shareholding		Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
			No. of Shares at the beginning (01-04-17 / end of the year (31-03-18)	% of total shares of the Company			No. of Share	% of total shares of the Company
1	Jayeshbhai Chhabildas Shah	01.04.2017	4679700	86.66				
		23.12.2017			0	Bonus	6239600	86.66
		23.12.2017			(0.004)	Transfer	6239200	86.656
		31.03.2018	6239200	86.656				
2	Deepaben Jayeshbhai Shah	01.04.2017	360000	6.67				
		23.12.2017			0	Bonus	480000	6.67
		31.03.2018	480000	6.67				
3	Jayeshbhai Chhabildas Shah – Karta (HUF)	01.04.2017	360300	6.67				
		23.12.2017			0	Bonus	480400	6.67
		31.03.2018	480400	6.67				
2	Harshil Jayesh Shah	01.04.2017	0	0				
		23.12.2017			0.001	Transfer	100	0.001
		31.03.2018	100	0.001				
3	Jatin Shashikant Movani	01.04.2017	0	0				
		23.12.2017			0.001	Transfer	100	0.001
		31.03.2018	100	0.001				
4	Amitbhai Jamnadas Vaghajiyani	01.04.2017	0	0				
		23.12.2017			0.001	Transfer	100	0.001
		31.03.2018	100	0.001				
5	Samir Champaklal Doshi	01.04.2017	0	0				
		23.12.2017			0.001	Transfer	100	0.001
		31.03.2018	100	0.001				

**iv.) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name	Date	Shareholding		Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
			No. of Shares at the beginning (01.04.2017) end of the year (31.03.2018)	% of total shares of the Company			No. of Share	% of total shares of the Company
-----NIL-----								

**v.) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Date	Shareholding		Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
			No. of Shares at the beginning (01.04.2017) end of the year (31.03.2018)	% of total shares of the Company			No. of Share	% of total shares of the Company
1	Jayeshbhai Chhabildas Shah	01.04.2017	4679700	86.66				
		23.12.2017			0	Bonus	6239600	86.66
		23.12.2017			(0.004)	Transfer	6239200	86.656
		31.03.2018	6239200	86.656				
2	Deepaben Jayeshbhai Shah	01.04.2017	360000	6.67				
		23.12.2017			0	Bonus	480000	6.67
		31.03.2018	480000	6.67				
3	Shreyansh Vijaybhai Vora	01.04.2017	-	-				
		31.03.2018	-	-				
4	Jigar Dipakbhai Mehta	01.04.2017	-	-				
		31.03.2018	-	-				
5	Rutvi Jayeshbhai Shah	01.04.2017	-	-				
		31.03.2018	-	-				

**V) INDEBTEDNESS (Amt. in Rs.):**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	128227197.00	57656236.00	0.00	185883433.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>128227197.00</b>	<b>57656236.00</b>	<b>0.00</b>	<b>185883433.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	10545275.00	45431022.00	0.00	55976297.00
<b>Net Change</b>	<b>10545275.00</b>	<b>45431022.00</b>	<b>0.00</b>	<b>(55976297.00)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	117681922.00	12225214.00	0.00	129907136.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>117681922.00</b>	<b>12225214.00</b>	<b>0.00</b>	<b>129907136.00</b>

**VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

Sl. No.	Particulars of Remuneration	NAME OF MD*	NAME OF WTD**	TOTAL
		JAYESHBHAI CHHABILDAS SHAH	DEEPABEN JAYESHBHAI SHAH	
1	Gross Salary	1,12,00,000	69,00,000	1,81,00,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>1,12,00,000</b>	<b>69,00,000</b>	<b>1,81,00,000</b>

*\*Mr. Jayeshbhai Chhabildas Shah appointed as the Managing Director of the Company with effect from 29<sup>th</sup> January, 2018.*

*\*\*Mrs. Deepaben Jayeshbhai Shah appointed as the Whole time Director of the Company with effect from 29<sup>th</sup> January, 2018.*

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	SHREYANSH VIJAYBHAI VORA	Nil	Nil	Nil	Nil
	JIGAR DIPAKBHAI MEHTA	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	Nil	Nil	Nil	Nil
<b>2</b>	<b>Other Non-Executive Directors</b>				
	RUTVI JAYESHBHAI SHAH	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as Per the Act	-----N.A-----			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		<b>CFO*</b>	<b>COMPANY** SECRETARY</b>	
		Amitbhai Jamnadas Vaghajiyani	Sejal Hareshbhai Shah	
	<b>Salary</b>	30,000	82,500	1,12,500
	<b>Total (B)</b>	30,000	82,500	1,12,500

*\*Mr. Amitbhai Jamnadas Vaghajiyani appointed as Chief Financial Officer of the Company with effect from 21<sup>st</sup> February, 2018.*

*\*\*Ms. Sejal Hareshbhai Shah appointed as Company Secretary with effect from 6<sup>th</sup> November, 2017.*

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: ----NIL-----**

Date: 10.06.2018

Place: Lajai

For and on behalf of the Board,  
SONAM CLOCK LIMITED,

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Sd/  
Jayeshbhai Chhabildas Shah  
Managing Director  
DIN: 00500814

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Sd/  
Deepaben Jayeshbhai Shah  
Whole time Director  
DIN: 01981533

# SONAM CLOCK LIMITED

CIN: U33302GJ2001PLC039689

Regd. Office: Survey No. 337/p, Morbi Rajkot Highway, Lajai,  
Tal. Tankara, Dist. Morbi, Rajkot-363641

Website: [www.sonamquartz.com](http://www.sonamquartz.com); Phone: +91 2822 285017;

E-mail: [info@sonamquartz.com](mailto:info@sonamquartz.com)

## FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of Member(s):	
Registered Address:	
Email Id:	
*DP Id:	
Regd. Folio No./ *Client Id:	

(\*Applicable for Members holding shares in electronic form)

I/ We, being the member(s) of \_\_\_\_\_ shares of the above  
named company, hereby appoint:

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_  
or failing him;

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_  
or failing him;

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17<sup>th</sup>  
Annual General Meeting of the Company, to be held on Monday, 13<sup>th</sup> August, 2018 at  
03:00 P.M at the registered office of the Company at Survey No. 337/p, Morbi Rajkot  
Highway, Lajai, Tal. Tankara, Dist. Morbi, Rajkot- 363641, Gujarat and at any adjournment  
thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	<b>Ordinary Business</b>
1.	To consider and adopt Audited Financial Statement, Reports of Board of directors and Auditors thereon.
2.	Reappointment of Mrs. Deepaben Jayeshbhai Shah as Director, who retires by rotation.
3	Reappointment of Ms. Rutvi Jayeshbhai Shah as Director, who retires by rotation.
4	Appointment of Statutory Auditors S V K & Associates

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature of Shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix Revenue Stamp
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**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# AUDIT REPORT

**FINANCIAL YEAR  
2017 - 2018**

## **SONAM CLOCK LIMITED**

*Survey No. 337, Rajkot Highway,  
At Lajai, Taluka Tankara (Morbi).*

**- : AUDITOR :-**

**D. V. BAKRANIA & ASSOCIATES**

***Chartered Accountants***

1st Floor, Shiv Shakti Complex,  
Opp. Jain Derasar, Shanala Road, Morbi - 363641  
Ph.No. 227691 Email : dvbakrania@hotmail.com



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SONAM CLOCK LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of SONAM CLOCK LIMITED (the company), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements the give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, 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, 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 purpose 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.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B and
  - g) 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 litigations on its financial position in its financial statements - Refer Note 24 (15) (ii) to the financial statements
    - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

D. V. Bakrania & Associates  
Chartered Accountants  
Firm Reg.No:127116W

Sd/-

(CA. Dipak V. Bakrania)  
Proprietor  
Membership No: 048331

Place : Morbi

Date : 28.05.2018

**Annexure - A to the Auditors' Report**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India under Section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the Books and Records as we considered appropriate and according to the information and explanations given to us during the course of Audit, we further report that:

- 1 a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
b) As explained to us the fixed assets of the company have been physically verified by the management at reasonable interval and according to information and explanations given to us, no materials discrepancies were noticed on such verification as compared to the books record.  
  
c) According to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company.
- 2 According to the information and explanation given to us, the inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- 3 The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.  
  
a) Since company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, question regarding the terms and conditions of the grant of such loans does not arise.  
  
b) Since company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, question regarding receipt of principal amount and interest of such loan does not arise.  
  
d) Since company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, question regarding recovery or payment of overdue amount of such loan does not arise.
- 4 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security
- 5 According to information and explanations given to us the company has not accepted any deposits from the public during the year
- 6 According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.

- 7 a) According to the information and explanations given to us and on the basis of our examination of the books of accounts of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues, applicable to the company, have been regularly deposited by the company with the appropriate authorities. Further, no undisputed statutory dues, applicable to the company were in arrears as at 31 March 2018 for the period of more than six months from the date they became payable. However certain statutory dues like local tax, professional tax etc. are paid annually or as and when demand raised the appropriate authorities.
- b) According to information and explanation given to us, there are no material statutory dues, applicable to the company, which have not been deposited with the appropriate authorities on account of any dispute; except the amount refer Note 24 (15) (ii) to the financial statements.
- 8 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institutions, bank, government or dues to debenture holders. There were no debenture holders at any time during the year.
- 9 In our opinion, the term loans have been applied for the purposes for which they were raised. During the year, there were no moneys raised by way of initial public offer or further public offer (including debt instruments).
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.
- 11 In our opinion and as per the information and explanations given to us, the company has complied with the provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration to the extent applicable.
- 12 In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13 According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the Companies Act 2013, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- 14 According to the information and explanations given to us and based on 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 under review.
- 15 According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with the directors.
- 16 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

D. V. Bakrania & Associates  
Chartered Accountants  
Firm Reg.No:127116W

Place : Morbi

Date : 28.05.2018

Sd/-  
(CA. Dipak V. Bakrania)  
Proprietor  
Membership No: 048331

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SONAM CLOCK LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls 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. 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 Companies Act, 2013.

**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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 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.

D. V. Bakrania & Associates  
Chartered Accountants  
Firm Reg.No:127116W

Sd/-

(CA. Dipak V. Bakrania)

Proprietor

Membership No: 048331

Place : Morbi

Date : 28.05.2018

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**BALANCE SHEET AS AT 31st MARCH 2018**

(Amount in Rs.)

Particulars	Note No.	As At 31-March-18. Rs.	As At 31-March-17. Rs.
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds</b>			
(a) Share capital	1	72,000,000	54,000,000
(b) Reserves and surplus	2	51,631,944	40,592,861
		<b>123,631,944</b>	<b>94,592,861</b>
<b>2. Non-current Liabilities</b>			
(a) Long-term borrowings	3	20,207,001	64,341,362
(b) Deferred tax liabilities (Net)		10,315,618	10,629,781
(c) Long term provisions	4	1,000,851	-
		<b>31,523,470</b>	<b>74,971,143</b>
<b>3. Current Liabilities</b>			
(a) Short-Term Borrowings	5	109,700,135	121,542,071
(b) Trade Payables	6		
- Dues to Micro & Small Enterprises		-	-
- Dues to Other Than Micro & Small Enterprises		43,672,786	39,832,281
(c) Other Current Liabilities	7	49,386,732	10,363,135
(d) Short-Term Provisions	8	15,821,758	7,262,943
		<b>218,581,410</b>	<b>179,000,431</b>
<b>TOTAL</b>		<b>373,736,825</b>	<b>348,564,435</b>
<b>II. ASSETS :</b>			
<b>1. Non-current Assets</b>			
(a) <i>Fixed Assets</i>			
Property, Plant & Equipment	9	141,011,061	140,221,418
(b) Long term loans and advances	10	1,104,591	1,108,991
		<b>142,115,652</b>	<b>141,330,409</b>
<b>2. Current Assets</b>			
(a) Inventories	11	126,591,318	117,685,036
(b) Trade Receivables	12	75,684,327	71,031,196
(c) Cash and Cash Equivalents	13	2,124,807	283,460
(d) Short-term Loans and Advances	14	23,531,308	14,655,836
(e) Other Current Assets	15	3,689,413	3,578,498
		<b>231,621,173</b>	<b>207,234,026</b>
<b>TOTAL</b>		<b>373,736,825</b>	<b>348,564,435</b>
<b>Significant Accounting Policies</b>	23		
<b>The accompanying notes to accounts are an integral part of these financial statements</b>	24		
As per our report of even date attached		For and on behalf of the Board	
<b>For, D. V. Bakrania &amp; Associates</b>		<b>For SONAM CLOCK LTD.</b>	
Chartered Accountants			
Firm No. - 127116W			
Sd/-		Sd/-	
<b>(CA. Dipak V. Bakrania)</b>		<b>Jayeshbhai C. Shah</b>	
Proprietor		Director	
M. No. - 048331		<b>DIN : 00500814</b>	
		Sd/-	
		<b>Deepaben J. Shah</b>	
		Director	
		<b>DIN : 01981533</b>	
		Sd/-	
		<b>Amitbhai J. Vaghjiyani</b>	
		Chief Financial Officer	
		Sd/-	
		<b>Sejal H. Shah</b>	
		Company Secretary	
Place : Morbi		Place : Morbi	
Date : 28th May, 2018		Date : 28th May, 2018	

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**STATEMENT OF PROFIT & LOSS FOR THE YEARS ENDED ON 31ST MARCH, 2018**

(Amount in Rs.)

Particulars	Note No.	For The Period 31-March-18. Rs.	For The Year 31-March-17. Rs.
<b>I. Revenue from Operation</b>	16	528,192,613	383,139,734
<b>II. Other Income</b>	17	1,433,613	7,415,606
<b>III. Total Revenue ( I + II )</b>		<b>529,626,226</b>	<b>390,555,340</b>
<b>IV. Expenses:</b>			
Cost of Materials and Components Consumed	18	337,942,685	254,831,053
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade	19	10,198,257	(155,226)
Employee Benefits Expenses	20	55,671,035	51,061,248
Other Expenses	21	54,081,961	40,344,861
<b>Total Expenses</b>		<b>457,893,937</b>	<b>346,081,936</b>
<b>V. Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>71,732,289</b>	<b>44,473,404</b>
Finance Cost	22	20,817,456	21,571,138
Depreciation and Amortization Expenses	9	10,394,939	10,039,287
<b>VI. Net Profit before tax and extraordinary items</b>		<b>40,519,894</b>	<b>12,862,979</b>
<b>Add (Less) : Prior Period Items</b>			
a) Depreciation difference of previous year	-	1,177,039	-
b) Provision of gratuity of previous year	-	(1,586,502)	-
c) Net Add (Less) of Prior Period Items	-	(409,463)	-
<b>Profit Before Tax</b>	-	<b>40,110,431</b>	<b>12,862,979</b>
<b>VII Tax Expenses:</b>			
(1) Current tax		11,250,000	3,100,000
(2) Deferred tax debit/credit		(314,163)	1,254,311
(3) Previous year Income Tax		135,511	39,731
(4) Mat Credit Entitlement		-	-
<b>Tax For The Year</b>		<b>11,071,348</b>	<b>4,394,042</b>
<b>VIII. Net Profit Before Extra Ordinary Items (VI - VII)</b>		<b>29,039,083</b>	<b>8,468,937</b>
<b>IX. Extraordinary Items</b>		-	-
<b>X Net Profit(Loss) for the period from Continuing Operations ( VIII - IX )</b>		<b>29,039,083</b>	<b>8,468,937</b>
<b>XI. Profit/(Loss) from Discontinuing Operation (Net)</b>		-	-
<b>XII. Tax Expenses of Discounting Operation</b>		-	-
<b>XIII. Net Profit/(loss) from Discontinuing Operations ( XI - XII )</b>		-	-
<b>TOTAL OPERATIONS</b>			
<b>XIV. Net Profit/(Loss) for the Year (X+ XIII)</b>		<b>29,039,083</b>	<b>8,468,937</b>
<b>Earning per equity share:(Basic &amp; Diluted)</b> [Refer Note 24(9)]			
Earning Per Share Before Exceptional & Extra-Ordinary Items (Basic & Diluted) computed on the basis of profit from continuing operations		4.03	1.57
Earning Per Share Before Exceptional & Extra-Ordinary Items (Basic & Diluted) computed on the basis of total profit for the year		4.03	1.57
Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Diluted) computed on the basis of profit from continuing operations		4.03	1.57
Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Diluted) computed on the basis of total profit for the year		4.03	1.57
<b>Significant Accounting Policies</b>	23		
<b>The accompanying notes to accounts are an integral part of these financial statements</b>	24		
As per our report of even date attached <b>For, D. V. Bakrania &amp; Associates</b> Chartered Accountants Firm No. - 127116W		For and on behalf of the Board <b>For SONAM CLOCK LTD.</b>	
Sd/- <b>(CA. Dipak V. Bakrania)</b> Proprietor M. No. - 048331		Sd/- <b>Jayeshbhai C. Shah</b> Director DIN : 00500814	Sd/- <b>Deepaben J. Shah</b> Director DIN : 01981533
		Sd/- <b>Amitbhai J. Vaghjiyani</b> Chief Financial Officer	Sd/- <b>Sejal H. Shah</b> Company Secretary
Place : Morbi Date : 28th May, 2018		Place : Morbi Date : 28th May, 2018	



**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

CASH FLOW STATEMENT FOR THE YEARS ENDED 31ST MARCH, 2018

(Amount in Rs.)

	PARTICULARS	For the Year 31-March-18. Rs.	For the Year 31-March-17. Rs.
<b>A</b>	<b>Cash Flow from Operating Activity</b>		
	Profit before tax and before extra-ordinary items	40,110,431	12,862,979
	Add: Non Cash and Operating Expenses		
	Depreciation & Amortization Expenses (Net)	10,394,939	10,039,287
	Interest Received / Other Non Operative Receipts	(112,585)	(274,859)
	Finance Cost	20,817,456	21,571,138
	<b>Operating profit before working capital changes</b>	<b>71,210,241</b>	<b>44,198,545</b>
	Adjustment for:		
	(Increase) / Decrease in Inventory	(8,906,282)	19,711,967
	(Increase) / Decrease in Trade Receivables	(4,653,130)	(41,397,247)
	(Increase) / Decrease in Loans and Advances	(2,318,375)	10,830,779
	Increase / (Decrease) in Current & Non Current Liabilities and Provisions	44,273,767	(1,147,884)
	(Increase) / Decrease in Other Current Assets (to the extent not written off)	(110,915)	46,819
	<b>Cash Generated from Operation</b>	<b>99,495,306</b>	<b>32,242,980</b>
	Taxes paid	(9,788,209)	(5,185,761)
	<b>Net Cash Flow from Operating Activity before Extra-Ordinary Items</b>	<b>89,707,097</b>	<b>27,057,219</b>
	Add : Extra-Ordinary Items	-	-
	Prior Year Items	-	-
	<b>Net Cash Flow from Operating Activity after Exceptional Items</b>	<b>89,707,097</b>	<b>27,057,219</b>
<b>B</b>	<b>Cash Flow from Investing Activity</b>		
	(Increase) / Decrease in Fixed Assets (net)	(11,184,582)	(15,362,508)
	Interest Received / Other Non Operative Receipts	112,585	274,859
	<b>Net Cash Flow from Investing Activities</b>	<b>(11,071,997)</b>	<b>(15,087,649)</b>
<b>C</b>	<b>Cash Flow from Financing Activity</b>		
	Increase / (Decrease) in Long Term & Short Term Borrowings	(55,976,298)	8,505,894
	Interest Expenses	(20,817,456)	(21,571,138)
	<b>Net Cash Flow from Financing Activities</b>	<b>(76,793,753)</b>	<b>(13,065,244)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1,841,347</b>	<b>(1,095,675)</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>283,460</b>	<b>1,379,135</b>
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,124,807</b>	<b>283,460</b>
	<b>Components of Cash and Cash Equivalents</b>	<b>Period ended 31-March-18. Rs.</b>	<b>Year ended 31-March-17. Rs.</b>
	<b>Cash on hand &amp; Equivalents</b>		
	- Cash on hand	1,346,980	221,468
	<b>Balances with Scheduled Banks</b>		
	- In Deposit Accounts	719,973	-
	- In Current Accounts	57,855	61,993
		<b>2,124,807</b>	<b>283,460</b>

**Notes :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on "Cash Flow Statement" issued by ICAI.
- Figures of Cash & Cash Equivalents have been taken from Note 13

As per our attached report of even date  
**For, D. V. Bakrania & Associates**  
Chartered Accountants  
Firm No. - 127116W

For and on behalf of the Board  
**For SONAM CLOCK LTD.**

Sd/-  
**(CA. Dipak V. Bakrania)**  
Proprietor  
M. No. - 048331

Sd/- Sd/-  
**Jayeshbhai C. Shah** **Deepaben J. Shah**  
Director Director  
DIN : 00500814 DIN : 01981533

Sd/- Sd/-  
**Amitbhai J. Vaghjiyani** **Sejal H. Shah**  
Chief Financial Officer Company Secretary

Place: Morbi  
Date : 28th May, 2018

Place: Morbi  
Date : 28th May, 2018

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31st MARCH, 2018**

(Amount in Rs.)

Particulars	As At		As At	
	31-March-18. Number	31-March-18. Amt. (Rs.)	31-March-17. Number	31-March-17. Amt. (Rs.)
<b>NOTE - 1 : SHARE CAPITAL</b>				
<b>a. Authorized :</b>				
Equity Shares of Rs. 10/- Each	11,000,000	110,000,000	6,000,000	60,000,000
<b>Total</b>	<b>11,000,000</b>	<b>110,000,000</b>	<b>6,000,000</b>	<b>60,000,000</b>
<b>b. Issued, Subscribed &amp; Paid Up :</b>				
Equity Share Capital	7,200,000	72,000,000	5,400,000	54,000,000
<b>Total</b>	<b>7,200,000</b>	<b>72,000,000</b>	<b>5,400,000</b>	<b>54,000,000</b>

**Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	31-March-18.		31-March-17.	
	Number	Amt. (Rs.)	Number	Amt. (Rs.)
<b>Equity Shares :</b>				
Shares outstanding at the beginning of the year	5,400,000	54,000,000	5,400,000	54,000,000
Shares issued during the period	1,800,000	18,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,200,000	72,000,000	5,400,000	54,000,000

The Company issued **18,00,000** Equity Shares as fully paid up **Bonus Shares** in the ratio of 1:3 by capitalization of Surplus and allotment done on **23rd December, 2017**.

**Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shares in the company held by each shareholder holding more than 5 percent shares**

Sr. No.	Name of Shareholder	31-March-18.		31-March-17.	
		No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
1	Jayesh Chhabildas Shah	6,239,200	86.66%	4,679,700	86.66%
2	Deepaben Jayeshbhai Shah	480,000	6.67%	360,000	6.67%
3	Jayesh Chhabildas Shah (Huf)	480,400	6.67%	360,300	6.67%

**Shares issued other than cash, bonus issue and shares bought back**

Particulars	Year (Aggregate No. of Shares)				
	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	1,800,000	Nil	3,600,000	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>	<b>2017-18</b>	<b>2016-17</b>			
By Directors	Nil	Nil			
By Officers	Nil	Nil			

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31st MARCH, 2018**

(Amount in Rs.)		
Particulars	As At 31-March-18. Rs.	As At 31-March-17. Rs.
<b>NOTE - 2 : RESERVE AND SURPLUS :</b>		
<b>Surplus</b>		
Balance As Per Last Financial Statements	40,592,861	32,123,924
Add : Current Year Profits / (Loss)	29,039,083	8,468,937
Less : Bonus Shares issued during the year	(18,000,000)	-
<b>Closing Balance</b>	<b>51,631,944</b>	<b>40,592,861</b>
<b>TOTAL NOTE 2</b>		
<b>NOTE - 3 : LONG TERM BORROWINGS :</b>		
[Refer Note 24(2)]		
<b>Secured</b>		
<b>a. Term Loans</b>		
From Banks	7,116,723	4,875,598
From Banks - Vehicle Loans	865,064	1,809,528
From Financial Institutions - Business Loans	-	-
<b>Total (a)</b>	<b>7,981,787</b>	<b>6,685,126</b>
<b>Unsecured</b>		
<b>b. Loans and Advances from Related Parties :</b>		
- From Directors	-	54,010,640
- From Shareholders / Relatives of Directors	-	3,495,596
- From Others	12,225,214	150,000
<b>Total (b)</b>	<b>12,225,214</b>	<b>57,656,236</b>
<b>TOTAL NOTE 3 (a+b)</b>	<b>20,207,001</b>	<b>64,341,362</b>

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31st MARCH, 2018**

(Amount in Rs.)		
Particulars	As At 31-March-18. Rs.	As At 31-March-17. Rs.
<b>NOTE - 4 : LONG-TERM PROVISIONS :</b>		
<b>Provision for Employee Benefits</b>		
[Refer Note 24(10)]		
Gratuity (unfunded)	1,000,851	-
<b>TOTAL NOTE 4</b>	<b>1,000,851</b>	<b>-</b>
<b>NOTE - 5 : SHORT TERM BORROWINGS :</b>		
[Refer Note 24(2)]		
<b>Secured :</b>		
<b>Loans Repayable on Demand</b>		
From Banks - Working Capital Facilities	109,700,135	121,542,071
<b>TOTAL NOTE 5</b>	<b>109,700,135</b>	<b>121,542,071</b>
<b>NOTE - 6 : TRADE PAYABLES :</b>		
[Refer Note 24(12 & 14)]		
(a) Dues to Micro & Small Enterprises	-	-
(b) Dues to Other Than Micro & Small Enterprises	43,672,786	39,832,281
<b>TOTAL NOTE 6</b>	<b>43,672,786</b>	<b>39,832,281</b>
<b>NOTE - 7 : OTHER CURRENT LIABILITIES :</b>		
(a) Current Maturities of Long Term Debts	44,108,703	5,088,943
(b) Statutory Liabilities	1,344,663	1,796,262
(c) Advances Received from Customers	3,933,366	3,256,830
(c) Payables towards purchase of fixed assets	-	221,100
<b>TOTAL NOTE 7</b>	<b>49,386,732</b>	<b>10,363,135</b>
<b>NOTE - 8 : SHORT TERM PROVISIONS :</b>		
<b>a. Provision for employee benefits</b>		
Salary & Reimbursements	3,222,997	3,771,560
Contribution to PF	385,496	361,483
Gratuity Provision (Short Term)	587,481	-
<b>TOTAL (a)</b>	<b>4,195,974</b>	<b>4,133,043</b>
<b>b. Others</b>		
Provision for current income-tax	11,250,000	3,100,000
Provision for unpaid expenses	375,784	29,900
<b>TOTAL (b)</b>	<b>11,625,784</b>	<b>3,129,900</b>
<b>TOTAL NOTE 8 (a+b)</b>	<b>15,821,758</b>	<b>7,262,943</b>

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31st MARCH, 2018**

(Amount in Rs.)		
Particulars	As At 31-March-18. Rs.	As At 31-March-17. Rs.
<b>NOTE - 10 : LONG TERM LOANS &amp; ADVANCES :</b>		
Security Deposits	1,104,591	1,108,991
<b>TOTAL NOTE 10</b>	<b>1,104,591</b>	<b>1,108,991</b>
<b>NOTE - 11 : INVENTORIES :</b>		
<i>(As taken ,valued and certified by the management)</i>		
Raw Materials	97,439,142	78,334,603
Finished Goods	19,332,422	29,380,918
Semi-Finished Goods	9,819,754	9,969,515
<b>TOTAL NOTE 11</b>	<b>126,591,318</b>	<b>117,685,036</b>
<b>NOTE - 12 : TRADE RECEIVABLES :</b>		
[Refer Note 24(12)]		
<i>(Unsecured and considered good as certified by the management)</i>		
- Outstanding or a period exceeding six months from the date they are due for payment.	3,482,727	982,562
- Outstanding or a period less than six months from the date they are due for payment.	72,201,600	70,048,634
<b>TOTAL NOTE 12</b>	<b>75,684,327</b>	<b>71,031,196</b>

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31st MARCH, 2018**

(Amount in Rs.)		
Particulars	As At 31-March-18. Rs.	As At 31-March-17. Rs.
<b>NOTE - 13 : CASH AND CASH EQUIVALENTS :</b>		
a. Cash on Hand	1,346,980	221,468
b. Balances with banks		
In Deposit Accounts	719,973	-
In Current Accounts	57,855	61,993
<b>TOTAL NOTE 13</b>	<b>2,124,807</b>	<b>283,460</b>
<b>NOTE - 14 : SHORT TERM LOANS AND ADVANCES :</b>		
<i>(Unsecured and considered good as certified by the management)</i>		
a. Prepaid Expenses	1,014,848	777,975
b. Balances With Government Authorities	18,025,487	7,525,919
c. Advances to Suppliers	4,490,973	6,351,942
<b>TOTAL NOTE 14</b>	<b>23,531,308</b>	<b>14,655,836</b>
<b>NOTE - 15 : OTHER CURRENT ASSETS :</b>		
<i>(Unsecured and considered good as certified by the management)</i>		
a. Interest Accrued on Deposits	67,104	77,045
b. Other Receivables	3,622,309	3,501,453
<b>TOTAL NOTE 15</b>	<b>3,689,413</b>	<b>3,578,498</b>

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES TO ACCOUNTS FORMING PART OF STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31st MARCH, 2018**

(Amount in Rs.)

Particulars	For The Period 31-March-18. Rs.	For The Year 31-March-17. Rs.
<b>NOTE - 16 : REVENUE FROM OPERATION :</b>		
a. Sale of Products	526,674,513	379,284,791
b. Other Operating Revenues	1,518,100	3,854,943
<b>TOTAL NOTE : 16</b>	<b>528,192,613</b>	<b>383,139,734</b>
<b>NOTE - 17 : OTHER INCOME :</b>		
Interest Income	112,585	85,606
Transit Insurance Income	-	402,237
Foreign Exchange Fluctuation	1,321,028	6,388,050
Keyman Insurance Income	-	261,254
Profit on Sale of Fixed Assets	-	189,253
Other Misc. Income	-	89,205
<b>TOTAL NOTE : 17</b>	<b>1,433,613</b>	<b>7,415,606</b>
<b>NOTE - 18 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED :</b>		
Opening Stock :	77,379,101	98,201,796
Add : Purchases	358,002,726	234,008,358
Less : Closing Stock	97,439,142	77,379,101
<b>Raw Materials &amp; Components Consumed</b>	<b>337,942,685</b>	<b>254,831,053</b>
<b>NOTE - 19 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS &amp; STOCK-IN-TRADE :</b>		
<b>a. Stock At Close</b>		
Finished Goods	19,332,422	29,380,918
Semi-Finished Goods	9,819,754	9,969,515
<b>Total (a)</b>	<b>29,152,176</b>	<b>39,350,433</b>
<b>b. Stock At Commencement</b>		
Finished Goods	29,380,918	25,397,824
Semi-Finished Goods	9,969,515	13,797,383
<b>Total (b)</b>	<b>39,350,433</b>	<b>39,195,207</b>
<b>TOTAL NOTE 19 (b-a)</b>	<b>10,198,257</b>	<b>(155,226)</b>

**SONAM CLOCK LIMITED**  
(Previously known as "SONAM CLOCK PVT. LTD.")

**NOTES TO ACCOUNTS FORMING PART OF STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31st MARCH, 2018**

(Amount in Rs.)

Particulars	For The Period 31-March-18. Rs.	For The Year 31-March-17. Rs.
<b>NOTE - 20 : EMPLOYEE BENEFITS EXPENSES :</b>		
Salary, Wages and Bonus (including directors remuneration)	46,930,324	47,031,401
Contribution to Provident Fund & Gratuity Fund Provision	2,576,419	2,183,897
Staff Welfare Expenses	6,164,292	1,845,950
<b>TOTAL NOTE : 20</b>	<b>55,671,035</b>	<b>51,061,248</b>
<b>NOTE - 21 : OTHER EXPENSES :</b>		
<b>a. Manufacturing &amp; Operating Costs</b>		
Consumption of Electirc, Power and Fuel	10,088,778	8,845,903
Machinery Repairs & Maintenance	2,278,079	2,338,402
Building Repairs & Maintenance	573,009	87,526
Electric Repairs & Maintenance	317,243	236,931
Rent	306,000	12,000
Other Manufacturing & Operating Expenses	802,155	2,344,601
<b>Total (a)</b>	<b>14,365,265</b>	<b>13,865,363</b>
<b>b. Sales &amp; Distribution Expenses</b>		
Advertisement	494,400	1,080,069
Sales Promotion Expenses	19,435,562	9,189,488
Export Related Expenditure	4,984,328	5,847,145
Transportation & Loading Expenses	681,649	724,078
Rates & Taxes	77,337	185,653
<b>Total (b)</b>	<b>25,673,277</b>	<b>17,026,434</b>
<b>c. General &amp; Administrative Expenses</b>		
Rates & Taxes	963,466	344,790
Conveyance, Tour and Travelling Expenses	994,369	930,127
Audit Fees	215,000	29,900
Legal and Professional Expenses	2,398,795	1,005,035
Insurance	1,267,956	1,749,553
Loss on Disposal of Fixed Assets	1,942	-
General Administration Expenses	8,201,891	5,393,660
<b>Total (c)</b>	<b>14,043,419</b>	<b>9,453,065</b>
<b>TOTAL NOTE 21 (a+b+c)</b>	<b>54,081,961</b>	<b>40,344,861</b>
<b>NOTE - 22 : FINANCE COSTS :</b>		
Interest on Term Loans	6,642,768	6,513,352
Interest on Working Capital Facilities	13,068,277	14,446,180
Other Interest	10,024	1,450
Other Borrowing Cost	1,096,387	610,156
<b>TOTAL NOTE : 22</b>	<b>20,817,456</b>	<b>21,571,138</b>

# SONAM CLOCK LIMITED (Previously known as "SONAM CLOCK PVT. LTD.")

## NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018

### NOTE - 9 : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION BLOCK					NET BLOCK	
	As on 1-04-2017	Additions during the year	Deductions during the year	As on 31-03-2018	As on 1-04-2017	Depreciation for the year	Adjustment (Deduction)	Deductions	As on 31-03-2018	As on 31-03-2018	As on 31-03-2017
<b>a. Tangible Assets</b>											
Factory Land	-	1,292,930.00	-	1,292,930	-	-		-	-	1,292,930	-
Factory Buildings	90,889,101.10	-	-	90,889,101	15,895,271	2,871,842	340,007	-	18,427,106	72,461,995	74,993,830
<b>Plant &amp; Machinery</b>											
Machinery	55,066,188.44	5,551,000.00	437,242	60,179,946	16,091,178	3,789,334	294,945	285,300	19,300,267	40,879,679	38,975,010
Handling Equipments	642,599.00	573,100.00	-	1,215,699	199,493	67,311	18,772	-	248,032	967,667	443,106
DG Set	1,410,870.00	-	-	1,410,870	574,505	102,147		-	676,652	734,218	836,365
Dies & Moulds	15,857,863.05	2,155,155.50	-	18,013,019	3,501,485	1,068,731	24,570	-	4,545,646	13,467,373	12,356,378
Water Tanker	155,500.00	-	-	155,500	53,553	10,465	998	-	63,020	92,480	101,947
Electric Installations	2,564,530.10	-	-	2,564,530	2,151,087	53,144	3,329	-	2,200,902	363,628	413,443
Cooling Tower	265,650.00	-	-	265,650	82,752	17,626	1,115	-	99,263	166,387	182,898
<b>Vehicles</b>											
Motor Buses	11,236,152.00	410,000.00	-	11,646,152	6,813,983	1,022,602	411,840	-	7,424,745	4,221,407	4,422,169
Motor Cars	4,423,273.00	-	-	4,423,273	1,594,003	424,527	24,052	-	1,994,478	2,428,795	2,829,270
Motor Cycles	322,648.00	-	-	322,648	180,938	33,462	2,460	-	211,940	110,708	141,710
<b>Furniture &amp; Fixtures</b>											
Office Equipments	2,592,137.00	26,100.00	-	2,618,237	1,583,345	401,232	14,513	-	1,970,064	648,173	1,008,792
Photocopy Equipments	-	115,500.00	-	115,500	-	5,411		-	5,411	110,089	-
Furniture & Fixtures	5,870,040.00	35,699.00	-	5,905,739	2,597,631	462,392	11,185	-	3,048,838	2,856,901	3,272,409
EPABX System	227,150.00	-	-	227,150	215,792	-		-	215,792	11,358	11,358
Mobiles	245,700.00	-	-	245,700	51,232	46,683	2	-	97,917	147,783	194,468
<b>Computers &amp; Softwares</b>											
	745,931.00	-	-	745,931	707,666	18,030	29,255	-	696,441	49,490	38,265
	<b>192,515,332.69</b>	<b>10,159,484.50</b>	<b>437,242</b>	<b>202,237,575</b>	<b>52,293,915</b>	<b>10,394,939</b>	<b>1,177,039</b>	<b>285,300</b>	<b>61,226,515</b>	<b>141,011,061</b>	<b>140,221,418</b>
<b>b. Intangible Assets</b>	-	-	-	-	-	-		-	-	-	-
<b>c. Capital Work In Progress</b>	-	-	-	-	-	-		-	-	-	-
<b>d. Intangible Assets under Development</b>	-	-	-	-	-	-		-	-	-	-
<b>GRAND TOTAL</b>	<b>192,515,332.69</b>	<b>10,159,484.50</b>	<b>437,242</b>	<b>202,237,575</b>	<b>52,293,915</b>	<b>10,394,939</b>	<b>1,177,039</b>	<b>285,300</b>	<b>61,226,515</b>	<b>141,011,061</b>	<b>140,221,418</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>178,233,536.79</b>	<b>15,910,254.90</b>	<b>1,628,459</b>	<b>192,515,333</b>	<b>43,335,340</b>	<b>10,039,287</b>	<b>-</b>	<b>1,080,712</b>	<b>52,293,915</b>	<b>140,221,418</b>	<b>134,898,197</b>

**SONAM CLOCK LTD.  
(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

***NOTE 23: SIGNIFICANT ACCOUNTING POLICIES***

**Significant accounting policies:**

(i) Basis of preparation:

These financial statements as restated are prepared in accordance with Schedule III of the Companies Act, 2013 and under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in the accounting policy explained below:

Change in accounting policy:

The company has made provision for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in statement of profit & loss for the period ended 31st March, 2018 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses.

(ii) Use of Estimates:

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.



**SONAM CLOCK LTD.**  
**(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

(iii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales of Goods:

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Sales and Purchases are being accounted for net of duties and taxes.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Operating Revenue / Other Income:

Other Income being, DEPB licence income, discount and rate difference income, insurance claim income, etc. are being recognized on accrual basis in the year in which right to receive the same is established

(iv) Tangible Fixed Assets :

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized. Long-term leasehold assets are capitalized under fixed assets.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a

**SONAM CLOCK LTD.**  
**(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(v) Depreciation / Amortization on tangible fixed assets:

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates arrived on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been already adjusted through statement of profit & loss in FY 14-15 in line with MCA Notification dated 29/08/2014.

Details of useful life of an asset and its residual value estimated by the management:-

Type of Asset	Useful Life as per management's estimate from April 1, 2014
Factory Building	30 Years
Plant & Machinery	15 Years
Electric Fittings	10 Years
Vehicles (Scooters & Mopeds)	10 Years
Vehicles (Motor Cars & Buses)	8 Years
Office Equipments	5 Years
Furniture & Fixtures	10 Years
Computers	3 Years

In none of the case, residual value of an asset is more than five per cent of original cost of the asset.

(vi) Inventories:

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods and Waste & Scrap are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs which are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**SONAM CLOCK LTD.**  
**(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

(vii) Retirement Benefits and other employee benefits :

Defined Contribution Plans :

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

Defined Benefit Plans :

Provision for gratuity liability is provided based on actuarial valuation made at the end of the financial year.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

(viii) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

(ix) Lease Accounting:

Operating leases: Assets acquired as leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals being income or expense are booked to the statement of profit and loss as incurred.

Initial direct costs in respect of the lease acquired are expensed out in the year in which such costs are incurred.

(x) Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Costs incurred in

**SONAM CLOCK LTD.**  
**(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

raising funds are amortised equally over the period for which the funds are acquired. All other borrowing costs are charged to statement of profit and loss.

(xi) Taxes on Income

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current Tax: Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax: Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realisation. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

(xii) Earnings / (Loss) per share:

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and 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 are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

(xiii) Provisions, contingent liabilities and contingent assets :

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and

**SONAM CLOCK LTD.**  
**(PREVIOUSLY KNOWN AS “SONAM CLOCK PVT. LTD.”)**

are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

(xiv) Cash and Cash Equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

(xv) Segment Reporting:

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

NOTE - 24 : NOTES ON ACCOUNTS:-**A The Company**

"SONAM CLOCK LIMITED" was originally incorporated as "Sonam Clock Private Limited" on June 21, 2001 vide Registration No. 039689/2001-2002 (CIN: U33302GJ2001PTC039689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sonam Clock Private Limited" to "Sonam Clock Limited" vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U33302GJ2001PLC039689

The registered office of the company is shifted from Time Tower, 2 Lati Plot, Morbi to Survey No. 337, Rajkot Highway, Village Lajai, Taluka Tankara District Morbi, Gujarat, India, w.e.f. 30.11.2017.

**B Nature of Operations :-**

The Company is having its manufacturing facilities at Morbi, Gujarat, is presently engaged in Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items

**1 Notes on Audit for the Year Ended March 31, 2018**

- a Previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary, so to give a comparative view. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- b The company has made provision for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in statement of profit & loss for the period ended 31st March, 2018 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses.

**2 Long Term and Short Term Borrowings :-****Secured :****Term Loans From Banks**

Amt O/s

Rs.92.83/- Lacs Primary Security - Hypothecation of Stocks and Book Debts, Hypothecation of all Plant & Machineries (Existing & New).

Pledge of TDRs for LC Margin 15% upon full utilization of limit.

Collateral Security:

EQM of factory land and building (Commercial Premises Area 4451.52 Sq Mtrs & Industrial Premises Area 5159.72 Sq Mtrs) situated at Ser. No. 337/P, Village Lajjai, Taluka Tankara, Dist. Morbi standing in the name of M/s. Sonam Clock Pvt. Ltd. (lease hold).

Personal Guarantee of Mr. Jayeshbhai C. Shah (Director) and Mrs. Deepaben J. Shah (Director)

**Vehicle Loans From Banks**

Amt O/s

Rs. 18.10/- Lacs Secured against hypothecation of vehicles

**Business Loans From Banks & Financial Companies**

Amt O/s

Rs. 288.20/- Lacs Secured PDC (Post dated cheques) and Personal Guarantee of Mr. Jayeshbhai C. Shah (Director) and Mrs. Deepaben J. Shah (Director)

**Cash Credit & EPC facilities from Banks**

Amt O/s

Rs. 1097.00/- Lacs Primary Security - Hypothecation of Stocks and Book Debts, Hypothecation of all Plant & Machineries (Existing & New).

Pledge of TDRs for LC Margin 15% upon full utilization of limit.

Collateral Security:

EQM of factory land and building (Commercial Premises Area 4451.52 Sq Mtrs & Industrial Premises Area 5159.72 Sq Mtrs) situated at Ser. No. 337/P, Village Lajjai, Taluka Tankara, Dist. Morbi standing in the name of M/s. Sonam Clock Pvt. Ltd. (lease hold).

Personal Guarantee of Mr. Jayeshbhai C. Shah (Director) and Mrs. Deepaben J. Shah (Director)

The rate of interest on the long term and short term borrowings ranges between 10% to 18% p.a. depending upon the prime lending rate / base rate of the banks and financial institutions applicable at different point of time during the year and the interest rate spread agreed with the banks.

Repayment period of long term borrowings ranges from less than 1 year to 6 years from the balance sheet date.

**Unsecured :**

From Directors Rs. 244.03/- Lacs (Rs. 540.11/- Lacs) carries 12.00% (12.00%) interest rate and is repayable within 1 year from the balance date

From Shareholders / Relatives of Directors Rs. 0.00/- Lacs (Rs. 34.96/- Lacs) carries 12.00% (12.00%) interest rate and is repayable within 1 year from the balance date

From Others Rs. 0.00/- Lacs (Rs. 1.50/- Lacs) carries NIL (NIL) interest rate and is repayable within 1 year from the balance date

3	Managerial Remuneration to Directors (Rs. in Lacs)	31-Mar-18	2016-2017
		18,100,000.00	21,600,000.00
		18,100,000.00	21,600,000.00
4	Payment to Auditor (Rs. in Lacs)	31-Mar-18	2016-2017
		100,000.00	29,900.00
		115,000.00	-
5	C.I.F. Value of Import- (Rs. in Lacs)	31-Mar-18	2016-2017
		141,095,034	72,954,292
		-	3,318,974
		141,095,034	76,273,266

6	The consumption of	31-Mar-18		2016-2017	
		Rs.	%	Rs.	%
	Raw material (Rs. in Lacs)				
	i) Imported	141,095,034	41.75%	72,954,292	28.63%
	ii) Indigenous	196,847,651	58.25%	181,876,760	71.37%
		337,942,685	100.00%	254,831,053	100.00%
7	Expenditure & Earnings in Foreign Exchange (Rs. in Lacs)	31-Mar-18		2016-2017	
a)	Expenditure	-		-	
b)	Earnings for sale of goods	111,864,518		142,358,095	
8	Deferred Tax Liability Comprise of the following (Rs. in Lacs)	31-Mar-18		2016-2017	
a)	Deferred tax liabilities				
	Related to Fixed Assets	10,753,251		10,629,781	
		10,753,251		10,629,781	
b)	Deferred tax assets				
	Related to Gratuity	437,633.12		-	
		437,633.12		-	
	Deferred Tax Liability / (Assets) {Net} (a-b)	10,315,618		10,629,781	
9	Earning Per Share (Amt Rs. in Lacs unless otherwise stated)	31-Mar-18		2016-2017	
	<b>Continuing &amp; Total Operations</b>				
	Net Profit after tax (PAT)	29,039,083.34		8,468,936.63	
	Net Profit available to equity share holders	A	29,039,083.34	8,468,936.63	
	Add: Exceptional & Extra-Ordinary Items (Net of Taxes)	-		-	
	Net Profit Before Exceptional & Extra-Ordinary items	B	29,039,083.34	8,468,936.63	
	Weighted Nos. of Equity Shares used as denominated for calculating the Basic EPS after issue of Bonus Shares				
		C	7,200,000	5,400,000	
	Basic EPS Before Exceptional & Extra-Ordinary items (Amt. in Rs.)	(A/C)	4.03	1.57	
	Basic EPS After Exceptional & Extra-Ordinary items (Amt. in Rs.)	(B/C)	4.03	1.57	

**10 Disclosure under Accounting Standard - 15 (Revised) on 'Post Employment Benefits'**

(Amt. Rs. in Lacs)

**Gratuity Benefits**

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (Last drawn salary) for each completed year of service.

The following table summarizes the component of net benefit expenses recognized in Statement of Profit & Loss.

**(I) Changes in the present value of the defined benefit gratuity plan are as follows:**

Particulars	31-03-18	2016-17
Opening defined benefit obligation	1,586,502	1,482,564
Interest Cost	115,869	111,192
Current Service Cost	477,201	488,747
Benefit Paid	-	-
Actuarial (Gain) / Losses on obligation	(591,240)	(496,001)
Closed Defined benefit obligation	1,588,332	1,586,502

**(II) Change in Fair Value of Asset**

Particulars	31-03-18	2016-17
Fair Value of Asset at beginning	-	-
Expected Return	-	-
Employer's Contribution	-	-
Actuarial Gain/ (Loss)	-	-
Fair Value of plan asset at end	-	-

**(III) Details of defined benefit gratuity plan**

Particulars	31-03-18	2016-17
Defined benefit obligation (A)	1,588,332	1,586,502
Fair Value of plan asset (B)	-	-
Present value of Unfunded obligation (C=A-B)	1,588,332	1,586,502
Less: Unrecognized past service Cost (D)	-	-
Plan Asset/ (Liability) (E=C-D)	1,588,332	1,586,502

**(IV) Net Employee Benefit expenses in Profit & Loss Account**

Particulars	31-03-18	2016-17
Current Service Cost	477,201	488,747
Interest Cost on benefit obligation	115,869	111,192
Expected return on plan assets	-	-
Net Actuarial (Gain)/Loss recognized in the year	(591,240)	(496,001)
Past Service Cost	-	-
Net Benefit Expense / (Income)	1,830	103,938

(V) Amounts for the current and previous periods are as follows:

Particulars	31-03-18	2016-17
Defined Benefit obligation	1,588,332.00	1,586,502.00
Plan Assets	-	-
Surplus / (Deficit)	1,588,332.00	1,586,502.00
Experience adjustments on Plan Liabilities	-	-
Experience adjustments on Plan Assets	-	-

(VI) The principal assumption used in determining the defined benefit gratuity plan obligations are shown below.

Particulars	31-03-18	2016-17
Retirement Age to be Assumed at	60 Years	60 Years
Rate of Discounting	7.50% p.a.	7.50% p.a.
Future Salary rise	5.00% p.a.	5.00% p.a.
Withdrawal Rate		
For 18 to 30 Years p.a.	50.00% p.a.	50.00% p.a.
For 30 to 44 Years p.a.	30.00% p.a.	30.00% p.a.
For 44 to 60 Years p.a.	10.00% p.a.	10.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Gratuity Limit (Rs. in Lacs)	20.00	10.00

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

**11 Segment Information:-**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as “Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items”. There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

**12 Related Party Disclosures:**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of the transactions with the related parties as defined in the Accounting Standard are given :

**a. List of Related Parties along with relationship and Transactions :-****Key Management Personnel**

Jayeshbhai C. Shah, Director  
 Deepaben J. Shah, Director  
 SejalHareshbhai Shah, CS  
 AmitbhaiJamnadasVaghajiyani, CFO  
 Jatin Shashikant Movani, Production Head  
 Samir Champaklal Doshi, Marketing Head

**Relatives Of Key Management Personnel**

Bipinbhai C. Shah

**HUF of Director / Shareholder**

Jayeshbhai C. Shah (HUF)

**Companies / Entities owned / significantly influenced by directors**

Rutvi Enterprise

**Companies / Entities owned / significantly influenced by relatives of directors**

Sonam Tradelink LLP

**b. Related Party Transactions****Key Management Personnel & Shareholder**

Name of Related Parties	Transaction	Amt. (Rs. in Lacs)	
		31-03-18	2016-17
<b>Transactions</b>			
Jayeshbhai C. Shah	Loans & Advances Received	231.00	182.00
Deepaben J. Shah	Loans & Advances Received	61.00	48.00
Jayeshbhai C. Shah (HUF)	Loans & Advances Received	-	31.00
Jayeshbhai C. Shah	Loans & Advances Repaid	480.18	138.53
Deepaben J. Shah	Loans & Advances Repaid	107.89	33.57
Jayeshbhai C. Shah	Directors' Remuneration	112.00	132.00
Deepaben J. Shah	Directors' Remuneration	69.00	84.00
SejalHareshbhai Shah	Salary	0.83	-
AmitbhaiJamnadasVaghajiyani	Salary	0.30	-
Jatin Shashikant Movani	Salary	0.35	-
Samir Champaklal Doshi	Salary	0.40	-
Jayeshbhai C. Shah	Interest Paid	27.82	32.69
Deepaben J. Shah	Interest Paid	15.55	15.61
Jayeshbhai C. Shah (HUF)	Interest Paid	2.78	2.73
Jayeshbhai C. Shah	Rent Paid	1.53	0.06
Deepaben J. Shah	Rent Paid	1.53	0.06
<b>Closing Balances Dr/(Cr)</b>			
Jayeshbhai C. Shah	For Loan Liability/Advance (including interest, if any)	(125.10)	(374.28)
Deepaben J. Shah	For Loan Liability/Advance (including interest, if any)	(118.93)	(165.83)
Jayeshbhai C. Shah (HUF)	For Loan Liability/Advance (including interest, if any)	-	(33.46)
Jayeshbhai C. Shah	For Interest, Rent & Directors' Remuneration Payable	(19.31)	(30.23)
Deepaben J. Shah	For Interest, Rent & Directors' Remuneration Payable	(9.93)	(15.19)
SejalHareshbhai Shah	For Salary Payable	(0.17)	-
AmitbhaiJamnadasVaghajiyani	For Salary Payable	(0.30)	-
Jatin Shashikant Movani	For Salary Payable	(0.35)	-
Samir Champaklal Doshi	For Salary Payable	(0.40)	-



## Relatives Of Key Management Personnel

		Amt. (Rs. in Lacs)	
Name of Related Parties	Transaction	31-03-18	2016-17
<b>Transactions</b>	Loans & Advances Received	Nil	Nil
Bipinbhai C. Shah	Loans & Advances Repaid	1.50	Nil
<b>Closing Balances Dr/(Cr)</b>			
Bipinbhai C. Shah	Loans & Advances Received	-	(1.50)

## Companies / Entities owned / significantly influenced by Directors

		Amt. (Rs. in Lacs)	
Name of Related Parties	Transaction	31-03-18	2016-17
<b>Transactions</b>			
Rutvi Enterprise	Purchases (Incl. Taxes)	246.76	256.20
<b>Closing Balances Dr/(Cr)</b>			
Rutvi Enterprise	Advance to Suppliers / (Trade Payables)	(7.01)	(9.79)

## Companies / Entities owned / significantly influenced by relatives of directors

		Amt. (Rs. in Lacs)	
Name of Related Parties	Transaction	31-03-18	2016-17
Sonam Tradelink LLP	Sales (Net) (Incl. Taxes)	402.78	191.88
<b>Closing Balances Dr/(Cr)</b>			
Sonam Tradelink LLP	Trade Receivables	105.17	94.11

- 13 The company has taken certain premises, godown & land under cancelable operating leases. The total rental expenses under cancelable operating lease during the year was Rs. 3.06 Lacs (Rs. 0.12 Lacs)
- 14 In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule VI to the Companies Act, 1956.
- 15 **Contingent Liabilities\***
- |  | 31-Mar-18 | Amt. Rs.in Lacs<br>2016-2017 |
|--|-----------|------------------------------|
| (i) Outstanding LC / BG  |           |                              |
| LC Outstanding   | 46.24     | -                            |
| (ii) Pending Litigations:  |           |                              |
| Central Excise Matters under dispute & under adjudication        | 35.01     | 35.01                        |
| Value Added Tax (VAT) Matters under dispute & under adjudication | 130.31    | 130.31                       |
- \* Contingent liability produced here in above on the basis of information compiled by the management of the company
- 16 Dues from the other companies / parties under the same management at year end have been covered under related party disclosures :
- 17 In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets and loans and advances are approximately of the same value as stated.
- 18 Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long-term and Short-term Loans & Advances, other current liabilities and other current assets and Non-Current Investments are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.
- 19 Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.
- 20 Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

Signature to Notes 1 to 24

As per our attached report of even date  
**For, D. V. Bakrania & Associates**  
**Chartered Accountants**  
**Firm No. - 127116W**

For and on behalf of the Board  
**For SONAM CLOCK LTD.**

Sd/-  
**(CA. Dipak V. Bakrania)**  
**Proprietor**  
**M. No. - 048331**

Sd/-  
**Jayeshbhai C. Shah**  
**Director**  
**DIN : 00500814**

Sd/-  
**Deepaben J. Shah**  
**Director**  
**DIN : 01981533**

Place : Morbi  
 Date : 28th May, 2018

Sd/-  
**Amitbhai J. Vaghjiyani**  
**Chief Financial Officer**

Sd/-  
**Sejal H. Shah**  
**Company Secretary**