



Date: 03.08.2019

To
The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
'Exchange Plaza', C-1 Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051

SYMBOL: SONAMCLOCK

SUB: COMPLIANCE UNDER REGULATION 34 OF THE SEBI (LODR) REGULATIONS, 2015

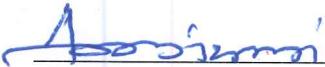
Dear Sir/Madam,

Pursuant to the Regulations 34(1) of the SEBI (LODR), 2015 we hereby are submitting Annual Report for the financial year 2018-19 which is being dispatched/ sent to the members in permitted modes.

Detailed Annual report enclosed herewith.

Yours Sincerely,
For, SONAM CLOCK LIMITED




AMITBHAI JAMNADAS VAGHAJIYANI
CHIEF FINANCIAL OFFICER

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



18TH
ANNUAL
REPORT



SONAM[®]
SINCE 1996

2018-19



CORPORATE INFORMATION

| | |
|---|---|
| Board of Directors | |
| Mr. JayeshChhabildas Shah | Chairman & Managing Director |
| Mrs. DeepabenJayeshbhai Shah | Whole Time Director |
| Mr. ShreyanshVijaybhaiVora | Independent Director |
| Mr. Jigar Dipakbhai Mehta | Independent Director |
| Ms. RutviJayeshbhai Shah | Non- Executive Director |
| Key Managerial Personnel | |
| Mr. AmitbhaiJamnadasVaghajiyani | Chief Financial Officer (CFO) |
| Ms. Minaxi Dineshbhai Taladiya | Company Secretary & Compliance officer |
| Statutory Auditors | |
| | M/s. SVK & ASSOCIATES C-701-702, Titanium Square, Thaltej Cross Road, S.G. Road, Ahmedabad - 380054 (Gujarat – India) |
| Internal Auditor | |
| | M/s. D.V. BAKRANIA & ASSOCIATES 1 st Floor, Shiv Shakti Complex, Opp. Jain Derasar, Sanala Road, Morbi-363641 |
| Registrar & Share Transfer Agent | |
| | BIG SHARE SERVICES PRIVATE LIMITED 1 st Floor, Bharat Tin works Building, Opp. Vasant oasis, Makwana Road, Marol, Andheri (East) , Mumbai-400059 |
| Corporate Identity No.(CIN) | |
| | L33302GJ2001PLC039689 |
| Bankers | |
| | Bank of India, State Bank of India, IndusInd Bank |
| Email Id | |
| | info@sonamquartz.com , cs@sonamquartz.com |
| Website | |
| | www.sonamquartz.com |

Profile of Directors & KMP

Mr. Jayesh C. Shah
(Chairman & Managing Director)



Mr. Jayeshbhai C. Shah, Chairman & Managing Director of Sonam clock Limited. Since 2006, he served and managing the entire operation & Business of company, having huge experience of 20 years in the field of the clock manufacturing industries. From the Production of wall clock till the Sale of the clocks in the Market, he go through the entire Process. Also design the various type of wall clocks by considering the Smart and digital Market.

Mrs. Deepa J. Shah
(Whole time Director)



Mrs. Deepa j. shah Whole time Director of sonam clock limited, Qualification in the field, the Master of Commerce, managing the administrative activity of the company and looking to the day to day activity of the company, also take the active participation in the human resource planning and managing it, making policy for the human resource management& development of the same. Also change the various human resource policy time to time as per the requirement of the company

Mr. Amit J. Vaghjiyani
(Chief Financial Officer)



Amit J. Vaghjiyani chief Financial Officer of the sonam clock limited having 24 years of experience in the field of finance & accounting dealing in the taxation & accounting & borrowing of funds& Raising of the funds by various markets. He is handling all the assignment of Financial related Matters. Working with sonam clock limited since 1996 handling accounting department more than 10 years.

ACHIEVEMENTS OF SONAM CLOCK LIMITED





SONAM CLOCK LIMITED

Regd. Office: Survey No. 337/p, Morbi Rajkot Highway,
Lajai, Tal. Tankara, Dist. Morbi, Rajkot-363641
www.sonamquartz.com
Contact No: +91 2822285017 Fax: +91 2822285987
Email: info@sonamquartz.com

NOTICE TO MEMBERS

Notice is hereby given that the 18th Annual general meeting of members of Sonam Clock Limited ((Formerly known as Sonam Clock Private Limited) will be held on Tuesday, August 27, 2019 At 11.00 A.M., At The Registered Office Of The Company Situated 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 consider and if thought fit, to Pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that the Board’s Report, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2019 and the Balance Sheet as at that date, including the Financial Statements, together with the Independent Auditors’ Report thereon be and are hereby considered, approved and adopted.”

ITEM NO. 2 – RE-APPOINTMENT OF MRS. DEEPABEN JAYESHBHAI SHAH (DIN: 01981533) AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

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

“RESOLVED that pursuant to Section 152 of the Companies Act 2013 and other applicable provisions, if any, Mrs. Deepaben Jayeshbhai Shah (DIN:01981533) who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

ITEM NO. 3 – TO CONFIRM THE FINAL DIVIDEND FOR THE F.Y. 2018-19

To confirm & approve the Equity dividend declared for the financial year 2018-19 in the board meeting held on 28th May, 2019 and to approve the final equity dividend for the financial year 2018-19.

“RESOLVED THAT dividend at Rs. 0.5 per equity shares of Rs. 10/- each (@5%) on fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the Profits of the Company for the financial year ended 31st March, 2019.”

Registered Office:

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

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

Date: 29.07.2019
Place: Lajai

SD/-
Amitbhai Jamnadas Vaghajiyani
Chief Financial Officer

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF COMPANY.**

Pursuant of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

- 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 instrument 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 Annual General Meeting. The proxy form is enclosed herewith the Notice.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a

Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

4. Members Holding Equity Shares In Electronic Form, And Proxies Thereof, Are Requested To Bring Their **DP ID AND CLIENT ID FOR IDENTIFICATION**. Members are requested to bring their Attendance Slip along with copies of their Annual Report at the meeting
5. Member / proxy holder shall hand over the attendance slip, duly filled in all respect, at the entrance for attending the Meeting along with a valid identity proof such as the PAN card, passport, AADHAR Card or driving license.
6. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the notice and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 4.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Meeting and at the venue of the Meeting for the duration of the Meeting.
7. In case of joint holders attending the meeting, only such joint holder who presides in the order of name will be entitled to vote.
8. Members are requested to advise immediately any change in their address to the Company.
9. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. In view of the above, the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Member. To support **green initiative of the Government** in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner: The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest. Electronic copy of the Annual Report including Notice of the 18th Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode. The Annual Report of the Company will also be made available on the company's website **www.sonamquartz.com**.
10. Book Closure for Final Dividend and AGM: Register of Members and Transfer Books will remain closed from August 21, 2019 to August 27, 2019 (both days inclusive) for the purpose of AGM and to determine entitlement of dividend on equity shares. The dividend will be paid to those shareholder

whose name appears on the 'Register of members' of the company as at the end of business hours on 20th August, 2019. The dividend as recommended by the Board of directors and if declared at the Annual General Meeting will be paid within the specified time limit.

11. Non-Resident Members: Non Resident Indian Members are Requested to Inform Registrar And Transfer Agents, Immediately of:

A. Change In Their Residential Status On Return To India For Permanent Settlement

B. Particulars Of Their Bank Account Maintained In India With Complete Name, Branch, Account Type, Account Number, IFSC Code, MICR No. And Address Of The Bank, If Not Furnished Earlier, To Enable Corporation To Remit Dividend To The Said Bank Account Directly.

12. Unclaimed Dividends:

In view of the above mentioned regulation, the Members who are yet to encash the earlier dividend(s) warrants are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the Dividend Warrants for financial years 2018-19 and/ or send for revalidation the unencashed Dividend Warrants still held by them to the Registrars and Transfer Agents of the Company. List of the share holders whose Dividend is unclaimed Available at Company's Website www.sonamquartz.com.

13. Registrar and Transfer Agents:

The address of Registrars and Transfer Agents of the Company is as follows:

Register and share transfer

M/s. Big Share Service's PVT. LTD.

Bharat Tin Works Building, 1st Floor,

Opp. Vasant Oasis, Makwana Road,

Andheri – East, Mumbai – 400059.

Unit: Sonam Clock LTD.

14. Information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the **Annexure-A** to this Notice.

15. Members desirous for any information or queries on accounts / financial statements or relating thereto are requested to send their queries at least seven days in advance to the Company at its registered office address to enable the Company to collect the relevant information and answer them in the Meeting.

16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rules 20 and 21 of Companies (Management and Administration (Rules), 2014 as amended from time to time and pursuant to Regulation 44 of SEBI (LODR), 2015 the Company is pleased to provide the shareholders of the company facility to exercise their right to vote by electronic means for the resolution set forth in this notice through remote E- voting services provided by NSDL. The detail instructions for E -Voting are annexed to this Notice separately.
17. Shareholders are also informed that voting shall be by E –voting system or ballot or polling paper shall be available at the meeting who have not already cast their vote by remote e-voting shall be exercise their right at the meeting.
18. However, the shareholders who have cast their vote by remote E-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
19. The Board of Directors of the Company has appointed, Ms. Dhara Patel, Practicing Company Secretaries, Ahmedabad as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The scrutinizer shall, immediately after the conclusion of voting at the 18th Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make within a period not exceeding 48 hours from the conclusion of Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith. The result declared along with scrutinizer’s Report shall be placed on Company’s website www.sonamquartz.com besides communicating the same to NSDL and Big Share Services Private Limited., Registrar and Share transfer Agents on the said date and also to National Stock Exchange, Emerge Platform where the shares of the Company are listed.
20. The voting period starts from 24th August, 2019 (9:30 A. M.) to 26th August, 2019 (5:00 P.M.), During this period share holder of company may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter on 26th August, 2019 (5:00 P.M.). Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th August, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@sonamquartz.com.

21. Route Map to the Venue of the 18th Annual General Meeting provided at the end of this Notice.

22. PROCEDURE OF EVOTING:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is |

| | |
|---|---|
| | 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csdharapatel@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Registered Office:

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

Date: 29.07.2019

Place: Lajai

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

SD/-

Amitbhai Jamnadas Vaghajiyani
Chief Financial Officer

ANNEXURE - A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE 18TH ANNUAL GENERAL MEETING IN PURSUANCE OF PROVISIONS OF THE COMPANIES ACT, 2013 & REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

| | |
|---|--------------------------------------|
| Name of Director | Deepa Jayesh Shah |
| Date of Birth | 20/02/1969 |
| Date of Appointment | 21/06/2001 |
| Expertise in specific Functional Areas | Management & Administration Activity |
| Qualifications | M.Com |
| Directors in other Public Companies | Nil |
| Other Positions | Nil |
| Membership of Committees in other unlisted Public Companies | Nil |
| Shares held in the Company | 4.80% (480000 Shares) |



DIRECTORS' REPORT

To,
The Members,
SONAM CLOCK LIMITED

Dear members,

The Directors present the 18th Board Report on the Company's business and operations together with audited financial statements and accounts for the financial year ended March 31, 2019.

FINANCIAL RESULTS:

In compliance with the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations') the Company has prepared financial Results as per Accounting Standards Specified Under Section 133 of the act, Read with Rule 7 of Companies (Accountings) Rules, 2014 financial statements as per Accounting Standards for the FY 2018-19. The financial highlights of the Company's operations are as follows:

(Rs. In Lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| Financial Performance | | |
| Revenue From Operation | 6484.96 | 5128.66 |
| Other Income | 52.35 | 14.34 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 793.24 | 717.32 |
| Less : Depreciation & amortization | 118.04 | 103.95 |
| Profit Before finance costs, Exceptional Items and Tax Expense | 675.20 | 613.37 |
| Less : Finance Costs | 155.04 | 208.17 |
| Profit before exceptional items & Tax Expense | 520.16 | 405.20 |
| Exceptional Items | - | (4.09) |
| Profit before Tax Expense | 520.16 | 401.10 |
| Provision of Tax | 142.51 | 112.50 |
| Deferred Tax | 5.81 | (3.14) |
| Previous year income tax | 1.38 | 1.36 |
| Net Profit for the year | 370.46 | 290.39 |
| Share Capital Details | | |
| (Amt. in Rs.) | | |
| Authorized Equity Share Capital | 11,00,00,000 | 11,00,00,000 |
| Paid up Equity Share Capital | 10,00,80,000 | 7,20,00,000 |

There are no material changes and commitment affecting the financial position of the Company which has occurred between 1st April, 2018 and date of this report.

COMPANY OVERVIEW:

Sonam Clock is one of the largest and leading clocks manufacturing Company. Company is well equipped with the world class technology and state-of-the-arts equipment which are strategically utilized by highly professional management team & the workforce from surrounding villages (Most of them are female workers) with the values of dedication, commitment and hard work the company as a team is climbing the ladder of success. At present, the company has a wide range of Clocks, LED Clocks & Timepieces.

Since last seventeen years "SONAM" has never looked back, and now become India's one of the largest customized clock producing company. In the field of Indian Clock Manufacturing industry "SONAM" is running "NECK to NECK" a winning track with its production capacity and strong marketing network.

BUSINESS PERFORMANCE:

The net revenue from operations for FY 2018-19 at Rs. 6484.96 Lakhs as compared to the FY 2017-18 of Rs. 5128.66 Lakh, Which was Increased by 26.45 %. However, the profit after tax increased from Rs. 290.39 Lakhs to Rs. 370.46 Lakhs. Financial cost of the company has been decreased from 208.17 lakhs to 155.04 lakhs.

TRANSFER TO RESERVE& SURPLUS:

Company has Made Net Profit of Rs. 3,70,46,082 for the F.Y. 2018 – 19. The Board of Director of Company has decided not to transfer any amount to the reserves for the year under review. The profit of F.Y. 2018-19 transfer to the surplus account.

DIVIDEND:**A. Final Dividend :**

Your Company continues to be on the path of profitable growth. The Company's cash flow and financial position continue to be strong. Based on company's performance, The Board of Director of your Company are Pleased to Recommend final dividend Rs. 0.5 per equity share of Face Value of Rs. 10/- each (@5%) for the financial year 2018 - 2019. Payable to those equity shareholders whose names are appear in the registrar of member as on the Record Date / Book Closer. The final dividend on equity shares, if approved by the members in Annual general meeting, an amount of Rs. 60,32,587 including Dividend Distribution Tax for the financial year 2019 would aggregate of Rs. 60,32,587 resulting in payout of 12.76%. The Dividend pay – out is in accordance with the company's Dividend Distribution Policy.

B. Interim Dividend :

The Board of directors of your Company after considering the Company's Dividend distribution Policy has declared and paid an interim Dividend of Rs. 0.5 per Equity shares of the face value Rs. 10/- each (@5%) During the year.

An amount of Rs. 60,32,587 was paid as Dividend including the Dividend distribution Tax on interim Dividend declared by Board of Directors on 14th November, 2018 and Rs.6000 is unclaimed dividend and details of unclaimed dividend available on the website of the company at www.sonamquartz.com.

Cumulatively, The Board of Directors of your company has declared / recommended a total Dividend of Rs. 1 per equityshares (@10%) for the year under review.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 123 and 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules'); the relevant amounts which have remained unclaimed and unpaid for a period of seven (7) years from the date they became due for payment has to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, there was no amount liable or due to be transferred to Investor Education and Protection Fund.

CHANGE IN THE NATURE OF BUSINESS:

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

INITIAL PUBLIC OFFERING:

During the year under review, your Company come up with a public issue of 28,08,000 equity shares of Rs.10/- each at a premium of Rs.26/- per share aggregating to the total Rs. 10,10,88,000/- Subsequently the shares of the Company have been listed on SME platform of NSE EMERGE Limited on 14th June,2018.

SHARE CAPITAL:

The Paid up Share Capital of the Company as on 31st March, 2018 was Rs. 7,20,00,000. During the year under review the Company had allotted 28,08,000 Fresh Equity Shares by way of Initial Public Issue on 12th June,2018 and the paid up capital the Company has increased to Rs.10,00,80,000.

UTILIZATION OF IPO FUND

The Initial Public Offer fund is utilized for the purpose for which the amount is raised as mentioned in the prospectus.

LISTING OF SHARES OF THE COMPANY

The Company was unlisted public company and listed during the year under review on NSE EMERGE platform on 14th June, 2018.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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 2018-19.

INTERNAL CONTROLS AND THEIR ADEQUACY:

The Company has well-established and adequate internal control systems. which ensure that all assets are safeguarded against loss from unauthorized use and all transactions are authorized, recorded and reported correctly according to the size, scale and complexity of its operations as approved by the Audit Committee and the Board, Which continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. Internal audits are regularly conducted, using external and internal resources to monitor the effectiveness of internal controls.

D. V. Bakrania & Co. Chartered Accountants, Morbi (ICAI Firm Registration No. 127116W) is the internal auditor of the Company, who conducts audit and submit half yearly/yearly reports to the Audit Committee. The Internal Audit is processed to designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The Audit Committee reviews the effectiveness of the Company's internal control system.

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.

| Particulars | F.Y. 2018-19 |
|--------------------|---------------------|
| Fuels | 4,33,147 |
| Power /electricity | 95,54,942 |

- 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. 15,05,43,650 |

INDUSTRIAL RELATION:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per Provisions of Section 152 of the Companies Act, 2013, Mrs. Deepaben Jayeshbhai Shah is liable to retires by rotation and being eligible to offer herself for re-appointment.

Ms. Sejal Harehbhai Shah resigned as Company Secretary with effect from 6thDecember, 2018.

Ms. KhushbooNitin Mehta appointed as Company Secretary with effect from 15th December, 2018 and resigned with effect from 5thApril, 2019.

Ms. Minaxi D. Taladiyaappointed as Company Secretary with effect from 13th April, 2019.

BUSINESS RISK MANAGEMENT:

The Company has taken various steps in connection with the implementation of Risk Management measures in terms of provisions contained in the Companies Act, 2013, after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by Board from time to time. Key risks identified are methodically addressed through mitigating actions on a continuing basis. The policy of risk management available on the website of the company at www.sonamquartz.com

BOARD MEETING:

Pursuant to section 173 of companies act, 2013 Board Meetings During the year 2018-19, the Board of Directors met Twenty (20) times, viz.

14.04.2018,23.04.2018,30.04.2018,24.05.2018,25.05.2018,28.05.2018,10.06.2018,12.06.2018, 21.06.2018,13.08.2018,14.08.2018,29.10.2018,14.11.2018,15.11.2018,06.12.2018,15.12.2018, 12.02.2019, 27.02.2019, 18.03.2019and 28.03.2019. The interval between any two meetings was well within the maximum allowed gap of 120 days.

| Name of Director | Category | No of Meetings Entitled to attend | No of Meetings Attended |
|-------------------------|------------------------------|-----------------------------------|-------------------------|
| JayeshChhabildas Shah | Chairman & Managing Director | 20 | 17 |
| DeepabenJayeshbhai Shah | Wholetime director | 20 | 18 |
| ShreyanshVijaybhaiVora | Independent Director | 20 | 14 |
| Jigar Dipakbhai Mehta | Independent Director | 20 | 10 |
| RutviJayeshbhai Shah | Non-Executive Director | 20 | 20 |

EXTRACTS OF ANNUAL RETURN:

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return in the prescribed format is appended to this Report as **MGT – 9** mentioned in Annexure- Band also available on the website of the company at www.sonamquartz.com.

CORPORATE GOVERNANCE REPORT:

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- a. Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- b. Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2018-2019.

AUDITORS:

M/s. S V K & Associates, Chartered Accountants, were appointed as Statutory Auditors at the Annual General Meeting held on 13.08.2018 for a period of 5 years until the conclusion of 22nd Annual General Meeting in terms of Section 139 of the Companies Act 2013.

SECRETARIAL AUDIT REPORT:

The Board, pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s R. V. Gandhi & Co., Practicing Company Secretary, Ahmedabad as Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the said Act for the Financial Year 2018-19. A Secretarial Audit Report for the Financial Year 2018-19 is annexed herewith as In Form MR-3 attached in Annexure-C. There are no adverse observations in the Secretarial Audit Report which call for explanation.

REVIEW OF AUDITORS REPORT AND SECRETARIAL AUDITORS REPORT:

The auditors report and secretarial auditors report does not contain any qualifications, reservations or adverse remarks.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors has not reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

As required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") the Management Discussion and Analysis of the Company for the year under review is presented in a separate section forming the part of the Annual Report is attached here with this annual Report in **Annexure -D**.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 12/02/2019 inter alia, to discuss:

1. Review of the performance of the Non- Independent Directors and the Board of Directors as a whole.

2. Review of the Chairman of the Company, taking into the account of the views of the Executive and Non- Executive Directors.
3. Assess the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present in the meeting.

1. DECLARATION UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS 2015 FROM THE INDEPENDENT DIRECTORS;

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

2. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any peculiar relationship or transactions with non-executive Directors during the year ended 31st March, 2019.

3. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the nomination and remuneration committee has laid down the evaluation of the performance of Individual Directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through the structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Director expressed their satisfaction with the evaluation process and no other observations of board evaluation carried out for the year.

DIRECTOR REMUNERATION

Member's attention is drawn to Financial Statements wherein the disclosure of remuneration paid to Directors is given during the year 2018-19. No Sitting fees have been paid to the directors. The Nomination and remuneration policy available on the website of the company at www.sonamquartz.com.

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) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- f) 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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

All related party transactions that were entered into during the year under the review 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 which may have a potential conflict with the interest of the Company at large. Your Directors draw your attention to related parties' transactions entered during the year as are detailed in AOC-2 attached in **Annexure-E** to this report.

POLICIES OF THE COMPANY

REMUNERATION AND APPOINTMENT POLICY

The remuneration of the Directors, Key Managerial Personnel, Senior Management and Other employees must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per other applicable provisions as amended from time to time.

The committee must ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the company successfully.

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Company follows a policy on directors' appointment and remuneration and the same are available in the website of the Company www.sonamquartz.com and salient points are as follows:

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION:

Your Company has adopted the policy on Materiality of Related Party Transaction to set out the dealing with the transaction between the Company and its related parties. The Policy on Materiality of Related Party Transaction has been available on the website of the Company www.sonamquartz.com.

POLICY OF CODE OF CONDUCT FOR DIRECTOR AND SENIOR MANAGEMENT:

Your Company has adopted the policy of code of Conduct to maintain standard of business conduct and ensure compliance with legal requirements. The Policy on Code of Conduct for Director and Senior Management has been available on the website of the Company www.sonamquartz.com.

PREVENTION OF INSIDER TRADING:

Pursuant to provisions of the regulations, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by employees and other connected persons and code of practices and procedure for fair disclosure of unpublished price Sensitive Information. The same has been available on the website of the Company www.sonamquartz.com.

POLICY ON THE PRESERVATION OF DOCUMENTS AND ARCHIVE POLICY:

Pursuant to provision of the regulations, the board has formulated the policy on the Preservation of Documents & Archive policy. The same has been available at the website of company at www.sonamquartz.com

PARTICULARS REGARDING EMPLOYEES REMUNERATION:

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information pertaining to section 197 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 is annexed herewith as **Annexure-F**.

DISQUALIFICATIONS OF DIRECTORS:

During the financial year 2018-2019 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified; to hold office as director disqualified as per provision of Section 164(2) of the Companies Act, 2013 and debarred from holding the office of a Director pursuant to any order of the SEBI or any such authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June 2018 on the subject "Enforcement of SEBI orders regarding appointment of Directors by Listed Companies".

The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECRETARIAL STANDARD

Your Directors states that they have devised proper systems to ensure compliance with the Secretarial Standards and that such system are adequate and operating effectively.

COMMITTEE OF BOARD OF DIRECTORS:

The Board has constituted Various Committee Viz. the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee. Improving Board effectiveness in areas where more focused and extensive discussions are required. Other committees to perform specific roles and responsibilities as may be specified by the Board from time to time.

AUDIT COMMITTEE:

The Audit Committee comprises of non-executive Independent Director and Director as its Member. The Chairman of the committee is Independent Director.

During the Financial year 2018-19, seven meeting viz.14.04.2018, 28.05.2018, 10.06.2018, 13.08.2018 14.08.2018, 14.11.2018 and 12.02.2019 meetings was held during the year.

The Composition of Audit Committee and the details of meetings attended by the members during the year are given below.

| Sr. No. | Name of the Director | Status | Nature of Directorship | No. of Meetings | Meeting attended |
|---------|----------------------------|----------|------------------------|-----------------|------------------|
| 1 | ShreyanshVijay bhaiVora | Chairman | Independent Director | 7 | 7 |
| 2 | JigarDipakbhai Mehta | Member | Independent Director | 7 | 7 |
| 3 | JayeshbhaiChh abildas Shah | Member | Managing Director | 7 | 7 |

NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted a Nomination and Remuneration Committee to form the policy, required to be formulated by the Nomination and Remuneration Committee and Senior Management, under Section 178(3) of the Companies Act, 2013 is uploaded on the Company's website.

During the Financial year 2018-19, One meeting of Nomination And Remuneration Committee held on 21.06.2018.

The Nomination and Remuneration Committee comprises of following persons

| Sr. No. | Name of the Director | Status | Nature of Directorship | No. of Meetings | Meeting attended |
|---------|-------------------------|----------|------------------------|-----------------|------------------|
| 1 | ShreyanshVijayb haiVora | Chairman | Independent Director | 1 | 1 |
| 2 | Jigar Dipakbhai Mehta | Member | Independent Director | 1 | 1 |
| 3 | RutviJayeshbhai Shah | Member | Non-Executive Director | 1 | 1 |

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee monitors Redressal of Shareholders'/Investors' complaints/ grievances iz. Non receipt of annual report, dividend payment, issue of duplicate share certificates, transmissionof shares and other related complaints. In addition, the Committee also monitors other issuesincluding status of Dematerlisation/ Rematerialisation of shares issued by the Company same is uploaded at the website of company.

During the Financial year 2018-19, four meeting of Stakeholders Relationship Committee held on 17.07.2018, 19.10.2018, 16.01.2019 and 31.03.2019

The stake holders Committee comprises of following persons.

| Sr. No. | Name of the Director | Status | Nature of Directorship | No. of Meetings | Meeting attended |
|---------|-------------------------|----------|------------------------|-----------------|------------------|
| 1 | ShreyanshVijaybhaiVora | Chairman | Independent Director | 4 | 4 |
| 2 | Jigar Dipakbhai Mehta | Member | Independent Director | 4 | 4 |
| 3 | DeepabenJayeshbhai Shah | Member | Whole time Director | 4 | 4 |

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2018-19.

INVESTOR GRIEVANCES REDRESSAL STATUS:

During the Financial Year 2019-18, there were no complaints or queries received from the shareholders of the Company. Company Secretary, acts as the Compliance Officer of the Company is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Investor can be sent their query at cs@sonamquartz.com.

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 maintain / audit the cost records of the company for cost audit report.

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.

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 any of criteria of net-worth, turnover or net profits mentioned therein.

Company has crossed the Corporate Social Responsibility Criteria in the financial year 2018-19 and therefore, Company will need to do CSR Expenditure in the coming year.

VIGIL MECHANISM/WHISTLE BLOWER MECHANISM:

Your Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism has been available on the website of the Company www.sonamquartz.com.

STATEMENT PURSUANT TO LISTING AGREEMENT:

The Company Equity Shares is listed at National Stock Exchange Limited (SME segment). The Annual Listing fee for the year 2019-20 has been paid.

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.

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.

STOCK CODES: SME Platform of National Stock Exchange of India Limited (e -Merge)

Stock Code: SONAMCLOCK

CIN: L33302GJ2001PLC039689

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

100% shares of your Company are held in the electronic mode as on March 31, 2019.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Registered Office:

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

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

Date: 29.07.2019

Place: Lajai

SD/-

JayeshbhaiChhabildas Shah
Chairman & Managing Director
DIN:00500814

SD/-

DeepabenJayeshbhai Shah
Whole time Director
DIN:01981533

**Annexure B to Boards Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on
31st March, 2019**

[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 | L33302GJ2001PLC039689 |
| 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: info@sonamquartz.com Website: www.sonamquartz.com |
| vi) Whether Listed Company | YES |
| vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any | Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(East), Mumbai-400059 Tel. : +91-022-62638200 Fax : +91-022-62638299 Email: info@bigshareonline.com Website: www.bigshareonline.com |

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% |

| | (A)=(A)(1) + (A)(2) | 0 | 7200000 | 7200000 | 100.00 | 7200000 | 0 | 7200000 | 71.94 | (28.06) |
|------------|-----------------------------------|---|---------|---------|--------|---------|---|---------|-------|---------|
| (B) | Public shareholding | | | | | | | | | |
| | Institutions | | | | | | | | | |
| (a) | Central / State government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | FINANCIAL INSTITUTIONS / BANKS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | MUTUAL FUNDS / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | INSURANCE COMPANIES | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | FII'S | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (g) | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | ANY OTHERS (Specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (j) | FOREIGN PORTFOLIO INVESTOR | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (k) | ALTERNATE INVESTMENT FUND | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | SUB TOTAL (B)(1) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Non-institutions | | | | | | | | | |
| (a) | BODIES CORPORATE | 0 | 0 | 0 | 0.00 | 36014 | 0 | 36014 | 0.36 | 0.36 |
| (b) | INDIVIDUAL | | | | | | | | | |
| (i) | (CAPITAL UPTO TO Rs. 1 Lakh) | 0 | 0 | 0 | 0.00 | 360000 | 0 | 360000 | 3.60 | 3.60 |
| (i) | (CAPITAL GREATER THAN Rs. 1 Lakh) | 0 | 0 | 0 | 0.00 | 1244986 | 0 | 1244986 | 12.44 | 12.44 |
| (c) | ANY OTHERS (Specify) | | | | | | | | | |
| (i) | TRUSTS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (ii) | CLEARING MEMBER | 0 | 0 | 0 | 0.00 | 1164000 | 0 | 1164000 | 11.63 | 11.63 |
| (iii) | NON RESIDENT INDIANS (NRI) | 0 | 0 | 0 | 0.00 | 3000 | 0 | 3000 | 0.03 | 0.03 |
| (iv) | DIRECTORS RELATIVES | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (v) | EMPLOYEE | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (vi) | OVERSEAS BODIES CORPORATES | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (vii) | UNCLAIMED SUSPENSE ACCOUNT | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | SUB TOTAL (B)(2) : | 0 | 0 | 0 | 0.00 | 2808000 | 0 | 2808000 | 28.06 | 28.06 |

| | | | | | | | | | | |
|------------|---|----------|----------------|------------|-------------|-----------------|----------|-----------------|---------------|----------|
| | Total Public Shareholding | | | | | | | | | |
| | (B)=(B)(1) + (B)(2) | 0 | 0 | 0 | 0.00 | 2808000 | 0 | 2808000 | 28.06 | 28.06 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | |
| | | | | | | | | | | |
| (a) | SHARES HELD BY CUSTODIANS | | | | | | | | | |
| | | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (ii) | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | SUB TOTAL (C)(1) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | (C)=(C)(1) | | 0 | | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Grand Total (A) + (B) + (C) | 0 | 7200000 | 100 | 0.00 | 10008000 | 0 | 10008000 | 100.00 | - |

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 | JayeshbhaiChhabildas Shah | 6239200 | 86.656 | -- | 6239200 | 62.3421 | -- | (24.32) |
| 2 | DeepabenJayeshbhai Shah | 480000 | 6.67 | -- | 480000 | 4.7962 | -- | (1.88) |
| 3 | JayeshbhaiChhabildas Shah – Karta (HUF) | 480400 | 6.67 | -- | 480400 | 4.8002 | -- | (1.87) |
| 4 | HarshilJayesh Shah | 100 | 0.001 | -- | 100 | 0.001 | -- | - |
| 5 | JatinShashikantMovani | 100 | 0.001 | -- | 100 | 0.001 | -- | - |
| 6 | AmitbhaiJamnadasVaghajiyani | 100 | 0.001 | -- | 100 | 0.001 | -- | - |
| 7 | Samir ChampaklalDoshi | 100 | 0.001 | -- | 100 | 0.001 | -- | - |
| | TOTAL | 7200000 | 100 | --- | 7200000 | 71.94 | --- | (28.06) |

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 | 7200000 | 100 | -- | -- |
| | Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweatequityetc): | #There is change in Promoters and Promoter Group Shareholding during the financial year 2018-19. | | | |
| | At the end of the year | 7200000 | 71.94 | -- | -- |

#Note: The change in % of total shares of the Company between 01-04-2018 to 31-03-2019 is on account of issue of Equity Shares through an Initial Public Offer.

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

| Sr. No | NAME | No. of Shares at the beginning/ End of the year | Date | Increase/ Decrease in share-holding | Reason | Number of Shares | Percentage of total shares of the company |
|--------|--|---|-----------|-------------------------------------|----------|------------------|---|
| 1 | Arcadia Share And Stock Brokers Pvt. Ltd | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 15-Jun-18 | 15000 | Transfer | 15,000 | 0.15 |
| | | | 22-Jun-18 | 654000 | Transfer | 669,000 | 6.68 |
| | | | 29-Jun-18 | -3000 | Transfer | 666,000 | 6.65 |
| | | | 6-Jul-18 | 51000 | Transfer | 717,000 | 7.16 |
| | | | 13-Jul-18 | 30000 | Transfer | 747,000 | 7.46 |
| | | | 20-Jul-18 | 36000 | Transfer | 783,000 | 7.82 |
| | | | 27-Jul-18 | 42000 | Transfer | 825,000 | 8.24 |
| | | | 3-Aug-18 | 36000 | Transfer | 861,000 | 8.60 |
| | | | 10-Aug-18 | 42000 | Transfer | 903,000 | 9.02 |
| | | | 17-Aug-18 | -27000 | Transfer | 876,000 | 8.75 |
| | | | 24-Aug-18 | -27000 | Transfer | 849,000 | 8.48 |

| | | | | | | | |
|---|-------------------------------|-----------|-----------|---------|----------|-----------|-------|
| | | | 31-Aug-18 | -132000 | Transfer | 717,000 | 7.16 |
| | | | 7-Sep-18 | 48000 | Transfer | 765,000 | 7.64 |
| | | | 14-Sep-18 | 48000 | Transfer | 813,000 | 8.12 |
| | | | 21-Sep-18 | 3000 | Transfer | 816,000 | 8.15 |
| | | | 28-Sep-18 | 30000 | Transfer | 846,000 | 8.45 |
| | | | 5-Oct-18 | 9000 | Transfer | 855,000 | 8.54 |
| | | | 12-Oct-18 | 24000 | Transfer | 879,000 | 8.78 |
| | | | 19-Oct-18 | -99000 | Transfer | 780,000 | 7.79 |
| | | | 26-Oct-18 | 42000 | Transfer | 822,000 | 8.21 |
| | | | 2-Nov-18 | 15000 | Transfer | 837,000 | 8.36 |
| | | | 9-Nov-18 | 9000 | Transfer | 846,000 | 8.45 |
| | | | 16-Nov-18 | 6000 | Transfer | 852,000 | 8.51 |
| | | | 23-Nov-18 | 9000 | Transfer | 861,000 | 8.60 |
| | | | 28-Nov-18 | 87000 | Transfer | 948,000 | 9.47 |
| | | | 30-Nov-18 | 18000 | Transfer | 966,000 | 9.65 |
| | | | 7-Dec-18 | 36000 | Transfer | 1,002,000 | 10.01 |
| | | | 14-Dec-18 | 6000 | Transfer | 1,008,000 | 10.07 |
| | | | 21-Dec-18 | 18000 | Transfer | 1,026,000 | 10.25 |
| | | | 28-Dec-18 | 6000 | Transfer | 1,032,000 | 10.31 |
| | | | 31-Dec-18 | -27000 | Transfer | 1,005,000 | 10.04 |
| | | | 18-Jan-19 | 6000 | Transfer | 1,011,000 | 10.10 |
| | | | 1-Feb-19 | 9000 | Transfer | 1,020,000 | 10.19 |
| | | | 8-Feb-19 | 3000 | Transfer | 1,023,000 | 10.22 |
| | | | 15-Feb-19 | 3000 | Transfer | 1,026,000 | 10.25 |
| | | | 1-Mar-19 | 3000 | Transfer | 1,029,000 | 10.28 |
| | | 1,029,000 | 30-Mar-19 | 0 | Transfer | 1,029,000 | 10.28 |
| | | | | | | | |
| 2 | GulshanKishore chandBansal | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 17-Aug-18 | 45000 | Transfer | 45,000 | 0.45 |
| | | | 24-Aug-18 | 69000 | Transfer | 114,000 | 1.14 |
| | | | 31-Aug-18 | 105000 | Transfer | 219,000 | 2.19 |
| | | | 7-Sep-18 | 42000 | Transfer | 261,000 | 2.61 |
| | | 261,000 | 30-Mar-19 | 0 | Transfer | 261,000 | 2.61 |
| | | | | | | | |
| 3 | KishorechandKa karamBansal | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 24-Aug-18 | 30000 | Transfer | 30,000 | 0.30 |
| | | | 19-Oct-18 | 105000 | Transfer | 135,000 | 1.35 |
| | | 135,000 | 30-Mar-19 | 0 | Transfer | 135,000 | 1.35 |
| | | | | | | | |
| 4 | BansalFinstockP | 0 | 25-May-18 | | Transfer | 0 | 0.00 |

| | | | | | | | |
|---|---------------------------------------|---------|-----------|--------|----------|---------|------|
| | vt.Ltd - Client Account | | | | | | |
| | | | 30-Nov-18 | 6000 | Transfer | 6,000 | 0.06 |
| | | | 14-Dec-18 | 132000 | Transfer | 138,000 | 1.38 |
| | | | 18-Jan-19 | -3000 | Transfer | 135,000 | 1.35 |
| | | | 29-Mar-19 | -3000 | Transfer | 132,000 | 1.32 |
| | | | 30-Mar-19 | 3000 | Transfer | 135,000 | 1.35 |
| | | 135,000 | 30-Mar-19 | 0 | Transfer | 135,000 | 1.35 |
| 5 | RachanaJatinM ovani | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 11-Jun-18 | 24000 | Transfer | 24,000 | 0.24 |
| | | | 13-Jul-18 | 75000 | Transfer | 99,000 | 0.99 |
| | | | 9-Nov-18 | -6000 | Transfer | 93,000 | 0.93 |
| | | | 7-Dec-18 | 6000 | Transfer | 99,000 | 0.99 |
| | | | 28-Dec-18 | -9000 | Transfer | 90,000 | 0.90 |
| | | | 15-Feb-19 | 6000 | Transfer | 96,000 | 0.96 |
| | | 96,000 | 30-Mar-19 | 0 | Transfer | 96,000 | 0.96 |
| 6 | KaushikShashik antMovani | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 11-Jun-18 | 27000 | Transfer | 27,000 | 0.27 |
| | | | 22-Jun-18 | 60000 | Transfer | 87,000 | 0.87 |
| | | 87,000 | 30-Mar-19 | 0 | Transfer | 87,000 | 0.87 |
| 7 | MehulMulvantr ai Shah | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 11-Jun-18 | 15000 | Transfer | 15,000 | 0.15 |
| | | | 22-Jun-18 | 75000 | Transfer | 90,000 | 0.90 |
| | | | 6-Jul-18 | 3000 | Transfer | 93,000 | 0.93 |
| | | | 1-Feb-19 | -9000 | Transfer | 84,000 | 0.84 |
| | | 84,000 | 30-Mar-19 | 0 | Transfer | 84,000 | 0.84 |
| 8 | ParulbenDharm eshkumarHariy ani | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 31-Aug-18 | 66000 | Transfer | 66,000 | 0.66 |
| | | 66,000 | 30-Mar-19 | 0 | Transfer | 66,000 | 0.66 |
| 9 | Dharmesh H Hariyani | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 31-Aug-18 | 66000 | Transfer | 66,000 | 0.66 |

| | | | | | | | |
|----|-------------------|--------|-----------|-------|----------|--------|------|
| | | 66,000 | 30-Mar-19 | 0 | Transfer | 66,000 | 0.66 |
| 10 | Alvish Hasaliya R | 0 | 25-May-18 | | Transfer | 0 | 0.00 |
| | | | 13-Jul-18 | 3000 | Transfer | 3,000 | 0.03 |
| | | | 5-Oct-18 | 39000 | Transfer | 42,000 | 0.42 |
| | | 42,000 | 30-Mar-19 | 0 | Transfer | 42,000 | 0.42 |

v.) Shareholding of Directors and Key Managerial Personnel:

| 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 | JayeshbhaiChhabildas Shah | 6239200 | 86.656 | -- | 6239200 | 62.3421 | -- | (24.32) |
| 2 | DeepabenJayeshbhai Shah | 480000 | 6.67 | -- | 480000 | 4.7962 | -- | (1.88) |
| 3 | AmitbhaiJamnadasVaghajiyani | 100 | 0.001 | -- | 100 | 0.001 | -- | - |

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 |
|--|----------------------------------|-------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 117,681,922 | 12,225,214 | - | 129,907,136 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 117,681,922 | 12,225,214 | - | 129,907,136 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 3,125,129 | - | - | 3,125,129 |
| Reduction | - | 9,225,214 | - | 9,225,214 |
| Net Change | 3,125,129 | 9,225,214 | - | (6,100,085) |

| Indebtedness at the end of the financial year | | | | |
|---|--------------------|------------------|----------|--------------------|
| i) Principal Amount | 120,807,051 | 3,000,000 | - | 123,807,051 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 120,807,051 | 3,000,000 | - | 123,807,051 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

| Sr. No. | Particulars of Remuneration | NAME OF MD | NAME OF WTD | Total |
|---------|---|----------------------------|--------------------------|--------------------|
| | | JAYESHBHAI CHHABILDAS SHAH | DEEPABEN JAYESHBHAI SHAH | |
| 1 | Gross Salary | 96,00,000 | 66,00,000 | 1,62,00,000 |
| 2 | Stock Option | - | - | |
| 3 | Sweat Equity | - | - | |
| 4 | Commission - as % of profit - others, specify | - | - | |
| 5 | Others, please specify | - | - | |
| | Total (A) | 96,00,000 | 66,00,000 | 1,62,00,000 |

B. REMUNERATION TO OTHER DIRECTORS:

| Sl. No. | Particulars of Remuneration | Fee for attending board / committee meetings | Commission | Others, please specify (Remuneration) | Total Amount |
|----------|--------------------------------------|--|------------|---------------------------------------|--------------|
| 1 | Independent Directors | | | | |
| | SHREYANSH VIJAYBHAI VORA | Nil | Nil | Nil | Nil |
| | JIGAR DIPAKBHAI MEHTA | Nil | Nil | Nil | Nil |
| | Total (1) | Nil | Nil | Nil | Nil |
| 2 | Other Non-Executive Directors | | | | |
| | RUTVI JAYESHBHAI SHAH | Nil | Nil | 6,00,000 | 6,00,000 |
| | Total (B)=(1+2) | Nil | Nil | 6,00,000 | 6,00,000 |
| | Total Managerial | Nil | Nil | 6,00,000 | 6,00,000 |

| | | | | | |
|--|--------------------------------|---------------|--|--|--|
| | Remuneration | | | | |
| | 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 |
|--------|-----------------------------|------------------------------|--------------------|---------------------|--------------|
| | | CFO | COMPANY* SECRETARY | COMPANY** SECRETARY | |
| | | AmitbhaiJamnadas Vaghajiyani | Sejal H. Shah | KhushbooNitin Mehta | |
| | Salary | 6,00,000 | 1,57,000 | 41,000 | 7,98,000 |
| | Total (B) | 6,00,000 | 1,57,000 | 41,000 | 7,98,000 |

*Ms. SejalHareshbhai Shah Resign as Company Secretary with effect from 6th December, 2018.

**Ms. KhushbooNitin Mehta Appointed as Company Secretary with effect from 15th December, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

Registered Office:

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

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

Date: 29.07.2019

Place: Lajai

_____ SD/-
JayeshbhaiChhabildas Shah
Managing Director
DIN:00500814

_____ SD/-
DeepabenJayeshbhai Shah
Whole time Director
DIN:01981533

**ANNEXURE –C
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members,
SONAM CLOCK LIMITED
(Formerly known as Sonam Clock Private Limited)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SONAM CLOCK LIMITED (Formerly known as Sonam Clock Private Limited) (hereinafter called the company) Secretarial Audit was conducted in a manner that provided us as on able as is for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the SONAM CLOCK LIMITED's (Formerly known as Sonam Clock Private Limited) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by SONAM CLOCK LIMITED (Formerly known as Sonam Clock Private Limited) ("the Company") for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during Audit Period); and

(vi) Other laws as applicable to the company as per the representations made by the management.

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

(i) Secretarial Standard issued by the Institute of Company Secretaries of India.

(ii) The listing agreement entered into by the company with National Stock Exchanges.

3. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

4. We further report that as far as we have able to ascertain –

-The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

-The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

-Adequate notice was given to directors in advance to schedule the Board Meetings, Agenda and notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting based upon notices shown to us.

-Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review and minutes of the meetings duly recorded and signed by the chairman as minutes shown to us.

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

6. The equity shares of the Company were listed on SME platform of NSE EMERGE by initial public offer of 28,08,000 equity shares of face value of Rs. 10.00 each at a price of Rs. 36 per equity share (including a share premium of Rs 26.00 per equity share).

Place: Ahmedabad

Date: 29.07.2019

For, R. V. Gandhi & Co.

SD/-

Rashmikant V. Gandhi

Company Secretary

FCS: 6807/C.P. No:7120

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
SONAM CLOCK LIMITED
(Formerly known as Sonam Clock Private Limited)

Our report of even date is to be read along with this letter.'

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. Based on copy of agenda, minutes and attendance register presented by Management, we have verified that notices were given and minutes have been properly recorded in the Minute Book and the same have been signed.
4. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad.
Date: 29.07.2019

For, R. V. Gandhi & Co.

SD/-/
Rashmikant V. Gandhi
Company Secretary
FCS: 6807/C.P. No:7120

ANNEXURE-D

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Growth in Industry At Large:

While we've enjoyed relatively strong economic conditions across the globe in recent years, signs are pointing to up & down in next few years. wall clock market needs detailed analysis of the industries for the estimation. Wall clock market includes the analysis of the market size, growth rate, market share, application, future trends. it also comprehends market new product analysis, financial overview, strategies and marketing trends.

Company has covered the following points in the analysis of market & expansion of new market strategies:

- To analyze and forecast the market size of wall clock industry in the global market.
 - To study the global key players, swot analysis, value
 - To determine, explain and forecast the market by type, end use, and region.
 - To analyze the market potential and advantage, opportunity and challenge, restraints and risks of global key regions.
 - To find out significant trends and factors driving or restraining the market growth.
 - To understand competitive developments such as agreements, expansions, new product launches, and possessions in the market.
-

Future Growth & Development planning of Company:

Sales revenue of company for financial year 2018-19 had shown the great increase. By looking to the demand of the wall clock in the domestic & foreign market of various wall clocks i.e. amazing range of designer clock, rotating pendulum musical clock, led digital clock, divine tune clock, musical clock night glow clock, office clock, sweep office clock, sweep clock, diamond series clock, classy dial clock, regular clock, picture dial clock, economy clock, alarm time piece, corporate clock & divine clock any many more.

Company is in the planning to develop the market globally by expanding the various clocks brands, sonam clock has three major Brands i.e. lotus, Sonam, ampm&Lexy via

this Brands Sonam clock had cover the Major market of Clock Manufacturing and also striving to grow more by developing the more design in the Market .

With this company is also engaged in production of the Movement, Which is Core Part of the Wall Clock. Sonam clock Limited is one of the largest company for the Production of Movements in India. Company has covered utmost states for the sale of this movement with this Major sale of this movement is being exported by company in China. Company is also Focusing or in planning to enhance the production capacity of this movement up to the 1,00,000 per day.



**ANNEXURE –E
FORM NO. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

- (a) Name(s) of the related party and nature of relationship - NIL
- (b) Nature of contracts/arrangements/transactions - NIL
- (c) Duration of the contracts/arrangements/transactions - NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any - NIL
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board - NIL
- (g) Amount paid as advances, if any: - NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

(A)

- (a) Name(s) of the related party - Rutvi Enterprise
- (b) nature of relationship – Entities Significantly influenced by Director
- (b) Nature of contracts/arrangements/transactions – Purchases
- (c) Duration of the contracts/arrangements/transactions – 2018-19
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Date(s) of approval by the Board, if an : 14/04/2018
- (f) Amount paid as advances, if any: NIL
- (g) Total Amount of Purchase: Rs. 24820476

(B)

- (a) Name(s) of the related party - Sonam Tradelink LLP
- (b) Nature of relationship – Entities Significantly influenced by Relative of Director
- (b) Nature of contracts/arrangements/transactions – Sales
- (c) Duration of the contracts/arrangements/transactions – 2018-19
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Date(s) of approval by the Board, if any: 14/04/2018

(f) Amount paid as advances, if any: Nil

(g) Total Amount of Sale:Rs. 32889159

(C)

(a) Name(s) of the related party - JayeshShah

(b) nature of relationship – Entities Significantly influenced by of Director

(b) Nature of contracts/arrangements/transactions – Rent Paid

(c) Duration of the contracts/arrangements/transactions – 2018-19

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil

(e) Date(s) of approval by the Board, if any: 14/04/2018

(f) Amount paid as advances, if any: Nil

(g) Total Amount of Rent: Rs. 6000

(D)

(a) Name(s) of the related party - Deepaben Shah

(b) nature of relationship – Entities Significantly influenced by of Director

(b) Nature of contracts/arrangements/transactions – Rent Paid

(c) Duration of the contracts/arrangements/transactions – 2018-19

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil

(e) Date(s) of approval by the Board, if any: 14/04/2018

(f) Amount paid as advances, if any: Nil

(g) Total Amount of Rent: Rs. 6000

ANNEXURE-F

DISCLOSURE UNDER SECTION 197(12), READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19.

| Sr. No. | Name of Director | Designation | Ratio |
|---------|--------------------|------------------------|-------|
| 1 | Jayeshbhai C. Shah | Managing Director | 32:1 |
| 2 | Deepa J. Shah | Whole time Director | 22:1 |
| 3 | Rutvi J. Shah | Non-Executive Director | 2:1 |

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018 - 19:

| Name | Designation | Increase in Percentage of Remuneration |
|------------------------|-------------------------|--|
| Mr. Amit J. Vaghjiyani | Chief Financial Officer | 66.67 % |
| Mr. Deepa J. Shah | Whole time Director | N.A. |
| Mr. Jayesh C. Shah | Managing Director | N.A. |

3. The percentage increase in the median remuneration of employees in the financial year - **Nil**

4. The number of permanent employees on the rolls of Company in the financial year 2018-19
- **323 No. of employee**

5. Average percentile increase made in the salaries of employees other than the managerial remuneration in the last financial year was. - **Nil**

6. Affirmation that the remuneration is as per the remuneration policy of the Company.
It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

ATTENDANCE SLIP

SONAM CLOCK LIMITED

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

www.sonamquartz.com

Contact No: +91 2822285017 Fax: +91 2822285987

Email: info@sonamquartz.com

| | |
|--------------------------------------|--|
| Regd. Folio/DP ID & Client ID | |
| Name & Address of the Shareholder(s) | |
| Joint Holder 1 | |
| Joint Holder 2 | |
| No. of Shares | |

I hereby record my presence in the 18th Annual General Meeting of the Company being held on Tuesday, 27th August, 2019 at 11.00 A.M. at the Survey No. 337/P, Morbi - Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi, Gujarat – 363641.

I hereby certify that I/we a Registered Shareholder/Proxy for the registered Shareholder of the Company.

Members/Proxies Signature

Note: Please bring the attendance slip to the meeting and handover at the entrance dully filled in.

SONAM CLOCK LIMITED

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

www.sonamquartz.com

Contact No: +91 2822285017 Fax: +91 2822285987

Email: info@sonamquartz.com

CIN: L33302GJ2001PLC039689

MGT – 11

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

CIN: L33302GJ2001PLC039689

NAME OF COMPANY: SONAM CLOCK LIMITED

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

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered address: | |
| E- mail Id: | |
| Folio No/ Client Id: | |
| DP ID: | |

I/We being a member(s) of Sonam Clock Limited held _____ the shares of the above named company, hereby appoint.

1. Name : _____

E-mail Id: _____

Address: -----

Signature :-----

Or failing him /Her

2. Name : _____

E-mail Id: _____

Address: -----

Signature:-----

Or failing him / Her

3. Name _____

E-mail Id: _____

Address: -----

Signature :-----

Or failing him / Her

and whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18thAnnual General Meeting of the Company to be held on the 27th August, 2019 at 11.00 a.m. at Survey No. 337/p, Morbi Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi-363641 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutio n No. | Resolutions | For | Against |
|--------------------|--|-----|---------|
| | Ordinary Business | | |
| 1 | To consider and adopt Audited Financial Statement, Reports of Board of directors and Auditors thereon. | | |
| 2 | To discuss and approve Reappointment of Mrs. Deepa J. Shah as director who retires by rotation | | |
| 3 | To discuss and approve final dividend | | |

Signed this day of _____ 2019.

Signature of shareholder(s): _____

Signatures of proxy holder(s): _____

Affix
Revenue
Stamp

Notes:

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.



SONAM CLOCK LIMITED

(Previously Known as “SONAM CLOCK PRIVATE LIMITED”)

MORBI

**AUDIT REPORT
&
AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
MARCH 31, 2019**

SVK & ASSOCIATES
CHARTERED ACCOUNTANTS

Address:

C-701-702, Titanium Square,
Thaltej Cross Road, S.G. Road,
Ahmedabad - 380 009 (Gujarat – India)
Ph.No. (079) 4032 0800 Email : svk@casvk.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 'SONAM CLOCK LIMITED'

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sonam Clock Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2019;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon.

Based on our audit of Financial Statements of the Company for the period under review, we did not come across any material Key Audit Matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - 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 relevant 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 25(15) (ii) to the financial statements.
 - ii. The Company has made all material provisions, except as mentioned in the notes to accounts, if any, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, SVK & Associates
Chartered Accountants
FRN: 118564W

SD/-
CA. Shilpang Karia
Partner
M. No. 102114

Date: 28th May, 2019
Place: Morbi

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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Sonam Clock Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **SONAM CLOCK LIMITED** ("the Company") as of March 31, 2019 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 Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,

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

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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

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.

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, SVK & Associates
Chartered Accountants
FRN: 118564W

SD/-
CA. Shilpang Karia
Partner
M. No. 102114

Date: 28th May, 2019
Place: Morbi

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

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

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report to the Members of **SONAM CLOCK LIMITED** of even date)

i. **FIXED ASSETS:**

- a. In our opinion, the company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As further explained to us, pursuant to the said program, certain fixed assets were physically verified by the management during the year. According to the said information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

ii. **INVENTORIES:**

- a. 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.
- b. According to the information and explanation given to us as explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

iii. **LOANS:**

According to the information and explanations given to us and on the basis of our examination of the books of account, 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, during the year under review. Consequently, the provisions of clause (iii) of the order are not applicable to the company.

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

iv. **LOANS, INVESTMENTS & GUARANTEES:**

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans directly or indirectly to any directors or person or entities in which directors are interested; has not made any investments or has not given any guarantee for loans taken by others from any bank or financial institutions. Consequently, the provisions of clause (iv) of the order are not applicable to the company.

v. **DEPOSITS:**

As explained to us, the company has not accepted any loans or deposits within meaning of Section 73 to 76 of the Companies Act, 2013 read with Rule 2(b) of the Companies (Acceptance of Deposit's) Rules 2014, during the year under review. Consequently, the provisions of clause (v) of the order are not applicable to the company

vi. **COST RECORDS:**

According to the information and explanations provided by the management to us and to the best of our knowledge, the Company is not engaged in production of any such goods or production of any such services for which the Central Government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence the provisions of section 148(1) of the Act do not apply to the Company.

vii. **STATUTORY DUES:**

a. As per information and explanation available to us, undisputed statutory dues including provident fund, income-tax, goods and service tax, custom duty, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities, applicable to it, though there had been some delays in certain cases. Further according to information explanation given to us, No undisputed statutory dues applicable to the company were outstanding as at 31st March, 2019 for a period of more than 6 months from the date they become payable.

b. According to the information and explanation available to us, there are no dues outstanding on account provident fund, income-tax, goods and service tax, custom duty, cess and other material statutory dues on account of dispute except the amount mentioned in Note 25(15)(ii) to the financial statements.

viii. **DUES TO FINANCIAL INSTITUTION, BANKS OR DEBENTURE HOLDER:**

Based on our audit procedures and as per information and explanation given to us by the management of the company, we are of the opinion that company has not defaulted in repayment of dues to financial institutions and banks during the year under review.

The company has not issued any debentures.

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

ix. **TERM LOANS & PUBLIC ISSUE:**

In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of initial public offer during the year for the purpose for which they were raised.

Based on the audit procedures performed and according to the information, explanations given to us, on an overall basis, the existing as well as new term loans have been applied for the purpose for which they were obtained.

x. **FRAUD:**

Based upon the audit procedures performed and as per the information and explanation given by the management, we report that no fraud by the company or any fraud on the company by its officers / employees has been noticed or reported during the course of our audit.

xi. **MANAGERIAL REMUNERATION:**

In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. **NIDHI COMPANY:**

In our opinion, the company is not a nidhi company. Consequently, the provisions of clause (xii) of the order are not applicable to the company.

xiii. **RELATED PARTY TRANSACTIONS:**

Based upon the audit procedures performed and as per the information and explanation given by the management, all the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and have been duly disclosed in the financial statements, as required by the applicable accounting standards.

xiv. **PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT:**

Based on the audit procedures performed and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, the provisions of clause (xiv) of the order are not applicable to the company.

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

xv. **NON-CASH TRANSACTIONS:**

Based on the audit procedures performed and 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 him. Consequently, the provisions of clause (xv) of the order are not applicable to the company.

xvi. **REGISTRATION UNDER SECTION 45-IA OF RBI ACT, 1934:** According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, SVK & Associates

Chartered Accountants

FRN: 118564W

SD/-

CA. Shilpang Karia

Partner

M. No. 102114

Date: 28th May, 2019

Place: Morbi

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

BALANCE SHEET AS AT 31st MARCH 2019

(Amount in Rs.)

| Particulars | Note No. | As At 31st March 2019 Rs. | As At 31st March 2018 Rs. |
|--|----------|---------------------------------|---------------------------------|
| I. EQUITY AND LIABILITIES : | | | |
| 1. Shareholders' Funds | | | |
| (a) Share capital | 1 | 1000,80,000 | 720,00,000 |
| (b) Reserves and surplus | 2 | 1496,20,852 | 516,31,944 |
| | | 2497,00,852 | 1236,31,944 |
| 2. Non-current Liabilities | | | |
| (a) Long-term borrowings | 3 | 80,61,631 | 202,07,001 |
| (b) Deferred tax liabilities (Net) | | 108,97,010 | 103,15,618 |
| (c) Other Long term liabilities | 4 | 20,00,000 | - |
| (d) Long term Provisions | 5 | 15,55,181 | 10,00,851 |
| | | 225,13,822 | 315,23,470 |
| 3. Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 1157,45,420 | 1097,00,135 |
| (b) Trade Payables | 7 | | |
| - Dues to Micro & Small Enterprises | | - | - |
| - Dues to Other Than Micro & Small Enterprises | | 532,77,215 | 436,72,786 |
| (c) Other Current liabilities | 8 | 194,93,053 | 493,86,732 |
| (d) Short-term Provisions | 9 | 251,83,062 | 158,21,758 |
| | | 2136,98,751 | 2185,81,410 |
| TOTAL | | 4859,13,425 | 3737,36,825 |
| II. ASSETS : | | | |
| 1. Non-current Assets | | | |
| (a) Property, Plant and equipment | 10 | | |
| Tangible Assets | | 1501,80,758 | 1410,11,061 |
| Capital Work in Progress | | 137,66,330 | - |
| (b) Long term loans and advances | 11 | 24,22,735 | 11,04,591 |
| | | 1663,69,823 | 1421,15,652 |
| 2. Current Assets | | | |
| (a) Inventories | 12 | 1867,89,367 | 1265,91,318 |
| (b) Trade Receivables | 13 | 927,79,257 | 756,84,327 |
| (c) Cash and Cash Equivalents | 14 | 7,87,721 | 21,24,807 |
| (d) Short-term Loans and Advances | 15 | 353,85,505 | 236,31,758 |
| (e) Other Current Assets | 16 | 38,01,752 | 35,88,963 |
| | | 3195,43,602 | 2316,21,173 |
| TOTAL | | 4859,13,425 | 3737,36,825 |
| Significant Accounting Policies | 24 | | |
| The accompanying notes to accounts are an Integral part of these financial statements | 25 | | |

As per our report of even date attached

For and on behalf of the Board

For, SVK & Associates
Chartered Accountants

For SONAM CLOCK LTD.

Firm No. - 118564W

SD/-
CA. Shilpang V. Karia
Partner
M. No. - 102114

SD/-
Jayeshbhai C. Shah
Chairman & MD
DIN : 00500814

SD/-
Deepaben J. Shah
Whole Time Director
DIN : 01981533

SD/-
Amitbhai J. Vaghjiyani
Chief Financial Officer

SD/-
Minaxi Taladiya
Company Secretary

Place : Morbi
Date : 28th May, 2019

Place : Morbi
Date : 28th May, 2019

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

STATEMENT OF PROFIT & LOSS FOR THE YEARS ENDED ON 31ST MARCH, 2019

(Amount in Rs.)

| Particulars | Note No. | For The Year 31st March 2019 Rs. | For The Year 31st March 2018 Rs. |
|---|----------|---|---|
| I. Revenue from Operation | 17 | 6484,95,784 | 5128,66,211 |
| II. Other Income | 18 | 52,35,419 | 14,33,613 |
| III. Total Revenue (I + II) | | 6537,31,202 | 5142,99,824 |
| IV. Expenses: | | | |
| Cost of Materials and Components Consumed | 19 | 4463,13,548 | 3379,42,685 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, Work-in process and Stock-in-trade | 20 | (269,69,192) | 101,98,257 |
| Employee Benefits Expenses | 21 | 671,29,704 | 556,71,035 |
| Finance Costs | 22 | 155,03,503 | 208,17,456 |
| Depreciation and Amortization Expenses | 10 | 118,03,686 | 103,94,939 |
| Other Expenses | 23 | 879,33,541 | 387,55,559 |
| Total Expenses | | 6017,14,791 | 4737,79,930 |
| VI. Profit Before extra ordinary items and Tax Add (Less) : Prior Period Items | | 520,16,412 | 405,19,894 |
| a) Depreciation difference of previous year | - | - | 11,77,039 |
| b) Provision of gratuity of previous year | - | - | (15,86,502) |
| c) Net Add (Less) of Prior Period Items | - | - | (4,09,463) |
| Profit Before Tax | | 520,16,412 | 401,10,431 |
| VII Tax Expenses: | | | |
| (1) Current Tax | | 142,51,259 | 112,50,000 |
| (2) Deferred Tax | | 5,81,392 | (3,14,163) |
| (3) Previous year Income Tax | | 1,37,679 | 1,35,511 |
| Tax For The Year | | 149,70,330 | 110,71,348 |
| VIII Net Profit(Loss) for the period from Continuing Operations (VI - VII) | | 370,46,082 | 290,39,083 |
| IX Profit/(Loss) from Discontinuing Operation (Net) | | - | - |
| X Tax Expenses of Discontinuing Operation | | - | - |
| XI Net Profit / (loss) from Discontinuing Operations (IX - X) | | - | - |
| XII Net Profit/(Loss) for the Year (VIII+ XI) | | 370,46,082 | 290,39,083 |
| Earning per equity share:(Basic & Diluted) [Refer Note 25(9)] | | | |
| Earning Per Share Before Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of profit from continuing operations | | 3.92 | 4.03 |
| Earning Per Share Before Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of total profit for the year | | 3.92 | 4.03 |
| Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of profit from continuing operations | | 3.92 | 4.03 |
| Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of total profit for the year | | 3.92 | 4.03 |
| Significant Accounting Policies | 24 | | |
| The accompanying notes to accounts are an integral part of these financial statements | 25 | | |
| As per our report of even date attached For, SVK & Associates Chartered Accountants Firm No. - 118564W | | For and on behalf of the Board For SONAM CLOCK LTD. | |
| SD/- CA. Shilpang V. Karia Partner M. No. - 102114 | | SD/- Jayeshbhai C. Shah Chairman & MD DIN : 00500814 | SD/- Deepaben J. Shah Whole Time Director DIN : 01981533 |
| | | SD/- Amitbhai J. Vaghjiyani Chief Financial Officer | SD/- Minaxi Taladiya Company Secretary |
| Place : Morbi Date : 28 th May, 2019 | | Place : Morbi Date : 28 th May, 2019 | |

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | For the Year 31st March 2019 Rs. | For the Year 31st March 2018 Rs. |
|---|---|---|
| A Cash Flow from Operating Activity | | |
| Profit before Tax | 520,16,412 | 401,10,431 |
| Add: Non Cash and Operating Expenses | | |
| Depreciation & Amortization Expenses (Net) | 118,03,686 | 103,94,939 |
| Interest Received / Other Non Operative Receipts | (1,91,925) | (1,12,585) |
| Finance Cost | 155,03,503 | 208,17,456 |
| Operating profit before working capital changes | 791,31,676 | 712,10,241 |
| Adjustment for: | | |
| (Increase) / Decrease in Inventory | (601,98,049) | (89,06,282) |
| (Increase) / Decrease in Trade Receivables | (170,94,931) | (46,53,130) |
| (Increase) / Decrease in Loans and Advances | (98,58,539) | (24,18,824) |
| Increase / (Decrease) in Current & Non Current Liabilities and Provisions | (174,07,461) | 442,73,767 |
| (Increase) / Decrease in Other Current Assets | (2,12,789) | (10,467) |
| IPO Proceeds by way of Issue of Equity Share Capital <i>(For Working Capital & General Corporate Operational Activities)</i> | 810,88,000 | |
| Cash Generated from Operation | 554,47,908 | 994,95,304 |
| Taxes Paid | (146,01,031) | (97,88,209) |
| Net Cash Flow from Operating Activity before Extra-Ordinary Items | 408,46,877 | 897,07,095 |
| B Cash Flow from Investing Activity | | |
| (Increase) / Decrease in Fixed Assets (net) | (347,39,714) | (111,84,582) |
| Interest Received / Other Non Operative Receipts | 1,91,925 | 1,12,585 |
| Net Cash Flow from Investing Activities | (345,47,789) | (110,71,997) |
| C Cash Flow from Financing Activity | | |
| Increase / (Decrease) in Long Term & Short Term Borrowings | (61,00,084) | (559,76,298) |
| Interest Expenses | (155,03,503) | (208,17,456) |
| IPO Proceeds by way of issue of Equity Share Capital <i>(For Repayment of Unsecured Borrowings)</i> | 200,00,000 | - |
| Interim Dividend and Dividend Distribution Tax | (60,32,587) | - |
| Net Cash Flow from Financing Activities | (76,36,174) | (767,93,753) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (13,37,085) | 18,41,347 |
| Opening Balance of Cash and Cash Equivalents | 21,24,807 | 2,83,460 |
| Closing Balance of Cash and Cash Equivalents | 7,87,721 | 21,24,807 |
| | | |
| Components of Cash and Cash Equivalents | Period ended 31st March 2019 Rs. | Year ended 31st March 2018 Rs. |
| Cash on hand & Equivalents | | |
| - Cash on hand | 3,33,836 | 13,46,980 |
| Balances with Scheduled Banks | | |
| - In Deposit Accounts | 3,72,611 | 7,19,973 |
| - In Current Accounts | 81,274 | 57,855 |
| | 7,87,721 | 21,24,807 |

Notes :

- 1 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.
- 2 Figures of Cash & Cash Equivalents have been taken from Note 14

As per our attached report of even date
For, SVK & Associates
Chartered Accountants
Firm No. - 118564W

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

SD/-
CA. Shilpang V. Karia
Partner
M. No. - 102114

SD/-
Jayeshbhai C. Shah
Chairman & MD
DIN : 00500814

SD/-
Deepaben J. Shah
Whole Time Director
DIN : 01981533

SD/-
Amitbhai J. Vaghjiyani
Chief Financial Officer

SD/-
Minaxi Taladiya
Company Secretary

Place: Morbi
Date : 28th May, 2019

Place: Morbi
Date : 28th May, 2019

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

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31st MARCH, 2019

(Amount in Rs.)

| Particulars | As At | | As At | |
|--|-----------------------|---------------------------|-----------------------|---------------------------|
| | 31-March-19 Number | 31-March-19 Amt. (Rs.) | 31-March-18 Number | 31-March-18 Amt. (Rs.) |
| NOTE - 1 : SHARE CAPITAL | | | | |
| a. Authorized : | | | | |
| Equity Shares of Rs. 10/- Each | 110,00,000 | 1100,00,000 | 110,00,000 | 1100,00,000 |
| Total | 110,00,000 | 1100,00,000 | 110,00,000 | 1100,00,000 |
| b. Issued, Subscribed & Paid Up : | | | | |
| Equity Share Capital | 100,08,000 | 1000,80,000 | 72,00,000 | 720,00,000 |
| Total | 100,08,000 | 1000,80,000 | 72,00,000 | 720,00,000 |

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

| Particulars | 31-March-19 | | 31-March-18 | |
|---|-------------|-------------|-------------|------------|
| | Number | Amt. (Rs.) | Number | Amt. (Rs.) |
| Equity Shares : | | | | |
| Shares outstanding at the beginning of the year | 72,00,000 | 720,00,000 | 54,00,000 | 540,00,000 |
| Shares issued during the period | 28,08,000 | 280,80,000 | 18,00,000 | 180,00,000 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 100,08,000 | 1000,80,000 | 72,00,000 | 720,00,000 |

The Company is listed on NSE Emerge on 14th June, 2018. During the year, the company has raised Rs. 1,010.88 lacs , by way of issue of 28,08,000 equity share of Rs. 10 each at premium of Rs. 26 per share , totalling to price of Rs. 36 Per share. The said proceeds has been fully utilised for the object of the issue.

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, except in case of Interim Dividend.

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-19 | | 31-March-18 | |
|---------|-------------------------------|--------------------|--------------|--------------------|--------------|
| | | No. Of Shares held | % of Holding | No. Of Shares held | % of Holding |
| 1 | Jayesh Chhablidash Shah | 62,39,200 | 62.34% | 62,39,200 | 86.66% |
| 2 | Deepaben Jayeshbhai Shah | 4,80,000 | 4.80% | 4,80,000 | 6.67% |
| 3 | Jayesh Chhablidash Shah (Huf) | 4,80,400 | 4.80% | 4,80,400 | 6.67% |
| 4 | Public Shareholding | 28,08,000 | 28.06% | - | 0.00% |

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

| Particulars | Year (Aggregate No. of Shares) | | | | |
|--|--------------------------------|----------------|---------|-----------|---------|
| | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| Equity Shares : | | | | | |
| 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 | 18,00,000 | Nil | 36,00,000 | Nil |
| Shares bought back | Nil | Nil | Nil | Nil | Nil |
| Preference Shares : | | | | | |
| 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 |
| Unpaid Calls | 2018-19 | 2017-18 | | | |
| 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, 2019

(Amount in Rs.)

| Particulars | As At 31-March-19 Rs. | As At 31-March-18 Rs. |
|---|-----------------------------|-----------------------------|
| NOTE - 2 : RESERVES AND SURPLUS : | | |
| A Securities Premium | | |
| Balance As Per Last Financial Statements | - | - |
| Add : Addition during the year | 730,08,000 | - |
| Less : Deduction during the year | - | - |
| Closing Balance | 730,08,000 | - |
| Sub Total | 730,08,000 | - |
| B Profit & Loss Account (Surplus) | | |
| Balance As Per Last Financial Statements | 516,31,944 | 405,92,861 |
| Add : Current Year Profits / (Loss) | 370,46,082 | 290,39,083 |
| Less : Bonus Shares issued during the year | - | (180,00,000) |
| Less : Dividend (including tax) during the year | (120,65,174) | - |
| Closing Balance | 766,12,852 | 516,31,944 |
| Sub Total | 766,12,852 | 516,31,944 |
| TOTAL NOTE 2 | 1496,20,852 | 516,31,944 |
| NOTE - 3 : LONG TERM BORROWINGS : | | |
| [Refer Note 25(2)] | | |
| Secured | | |
| a. Term Loans | | |
| From Banks | 49,50,075 | 71,16,723 |
| From Banks - Vehicle Loans | 31,11,556 | 8,65,064 |
| Total (a) | 80,61,631 | 79,81,787 |
| Unsecured | | |
| b. Loans and Advances from Others : | | |
| From Bank and Financial Institutions | - | 122,25,214 |
| Total (b) | - | 122,25,214 |
| TOTAL NOTE 3 (a+b) | 80,61,631 | 202,07,001 |
| NOTE - 4 : OTHER LONG TERM LIABILITIES : | | |
| Security Deposit | 20,00,000 | - |
| TOTAL NOTE 4 | 20,00,000 | - |
| NOTE - 5 : LONG-TERM PROVISIONS : | | |
| Provision for Employee Benefits | | |
| [Refer Note 25(10)] | | |
| Gratuity (unfunded) | 15,55,181 | 10,00,851 |
| TOTAL NOTE 5 | 15,55,181 | 10,00,851 |

SONAM CLOCK LIMITED
(Previously known as "SONAM CLOCK PVT. LTD.")
NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31st MARCH, 2019

(Amount in Rs.)

| Particulars | As At 31-March-19 Rs. | As At 31-March-18 Rs. |
|---|-----------------------------|-----------------------------|
| NOTE - 6 : SHORT TERM BORROWINGS : [Refer Note 25(2)] | | |
| Secured : | | |
| Loans Repayable on Demand | | |
| From Banks - Working Capital Facilities | 1127,45,420 | 1097,00,135 |
| Unsecured | | |
| From Director | 30,00,000 | - |
| TOTAL NOTE 6 | 1157,45,420 | 1097,00,135 |
| NOTE - 7 : TRADE PAYABLES : [Refer Note 25(12 & 14)] | | |
| (a) Dues to Micro & Small Enterprises | - | - |
| (b) Dues to Other Than Micro & Small Enterprises | 532,77,215 | 436,72,786 |
| TOTAL NOTE 7 | 532,77,215 | 436,72,786 |
| NOTE - 8 : OTHER CURRENT LIABILITIES : | | |
| (a) Current Maturities of Long Term Debts | 161,13,116 | 441,08,703 |
| (b) Statutory Liabilities | 7,14,121 | 13,44,663 |
| (c) Advances Received from Customers | 26,59,817 | 39,33,366 |
| (d) Payables for unclaimed Dividend | 6,000 | - |
| TOTAL NOTE 8 | 194,93,053 | 493,86,732 |
| NOTE - 9 : SHORT TERM PROVISIONS : | | |
| a. Provision for employee benefits | | |
| Salary & Reimbursements | 42,13,191 | 32,22,997 |
| Contribution to PF | 3,86,276 | 3,85,496 |
| Gratuity Provision (Short Term) | 1,87,249 | 5,87,481 |
| TOTAL (a) | 47,86,716 | 41,95,974 |
| b. Others | | |
| Provision for Current Income-tax | 142,51,259 | 112,50,000 |
| Provision for Unpaid Expenses | 1,12,500 | 3,75,784 |
| Provision for Proposed Dividend and Dividend Tax | 60,32,587 | - |
| TOTAL (b) | 203,96,346 | 116,25,784 |
| TOTAL NOTE 9 (a+b) | 251,83,062 | 158,21,758 |

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

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2019

NOTE - 10 : PROPERTY, PLANT & EQUIPMENT

(Amount in Rs.)

| Particulars | GROSS BLOCK | | | | DEPRECIATION / AMORTIZATION BLOCK | | | | NET BLOCK | | |
|--|-----------------------|---------------------------------|----------------------------------|---------------------|-----------------------------------|---------------------------------|---------------------------|------------------|---------------------|---------------------|---------------------|
| | As on 01-04-2018 | Additions during the year | Deductions during the year | As on 31-03-2019 | As on 01-04-2018 | Depreciation for the year | Adjustment (Deduction) | Deductions | As on 31-03-2019 | As on 31-03-2019 | As on 01-04-2018 |
| a. Tangible Assets | | | | | | | | | | | |
| Factory Land | 12,92,930.00 | 11,63,930.00 | - | 24,56,860 | - | - | - | - | - | 24,56,860 | 12,92,930 |
| Factory Buildings & Rajkot Office Plant & Machinery | 908,89,101.10 | 24,63,650.00 | - | 933,52,751 | 184,27,106 | 29,39,241.00 | - | - | 213,66,347 | 719,86,404 | 724,61,995 |
| Machinery | 601,79,946.44 | 37,49,450.00 | - | 639,29,396 | 193,00,267 | 40,68,570.00 | - | - | 233,68,837 | 405,60,559 | 408,79,679 |
| Handling Equipments | 12,15,699.00 | 9,92,200.00 | - | 22,07,899 | 2,48,032 | 1,19,642.00 | - | - | 3,67,674 | 18,40,225 | 9,67,667 |
| DG Set | 14,10,870.00 | - | - | 14,10,870 | 6,76,652 | 1,02,147 | - | - | 7,78,799 | 6,32,071 | 7,34,218 |
| Dies & Moulds | 180,13,018.55 | 47,46,091.30 | - | 227,59,110 | 45,45,646 | 13,13,180.00 | - | - | 58,58,826 | 169,00,284 | 134,67,373 |
| Water Tanker | 1,55,500.00 | 1,12,000.00 | - | 2,67,500 | 63,020 | 15,806.00 | - | - | 78,826 | 1,88,674 | 92,480 |
| Electric Installations | 25,64,530.10 | - | - | 25,64,530 | 22,00,902 | 1,34,634 | - | - | 23,35,536 | 2,28,994 | 3,63,628 |
| Cooling Tower | 2,65,650.00 | - | - | 2,65,650 | 99,263 | 17,626 | - | - | 1,16,889 | 1,48,761 | 1,66,387 |
| Vehicles | | | | | | | | | | | |
| Motor Buses | 116,46,152.00 | 28,70,782.50 | 5,03,537 | 140,13,398 | 74,24,745 | 11,73,752 | - | 4,67,275 | 81,31,222 | 58,82,176 | 42,21,407 |
| Motor Cars | 44,23,273.00 | 35,28,072.00 | 26,81,508 | 52,69,837 | 19,94,478 | 6,29,940 | - | 11,65,066 | 14,59,352 | 38,10,485 | 24,28,795 |
| Motor Cycles | 3,22,648.00 | - | 42,302 | 2,80,346 | 2,11,940 | 33,462 | - | 41,599 | 2,03,803 | 76,543 | 1,10,708 |
| Furniture & Fixtures | | | | | | | | | | | |
| Office Equipments | 26,18,237.00 | 5,85,796.02 | - | 32,04,033 | 19,70,064 | 4,52,630.00 | - | - | 24,22,694 | 7,81,339 | 6,48,173 |
| Photocopy Equipments | 1,15,500.00 | - | - | 1,15,500 | 5,411 | 21,945 | - | - | 27,356 | 88,144 | 1,10,089 |
| Furniture & Fixtures | 59,05,739.00 | 19,85,339.00 | - | 78,91,078 | 30,48,838 | 6,45,000.00 | - | - | 36,93,838 | 41,97,240 | 28,56,901 |
| EPABX System | 2,27,150.00 | - | - | 2,27,150 | 2,15,792 | 11,357 | - | - | 2,27,149 | 1 | 11,358 |
| Mobiles | 2,45,700.00 | 1,75,740.00 | - | 4,21,440 | 97,917 | 59,701.00 | - | - | 1,57,618 | 2,63,822 | 1,47,783 |
| Computers & Softwares | 7,45,931.00 | 1,53,740.00 | - | 8,99,671 | 6,96,441 | 65,053.00 | - | - | 7,61,494 | 1,38,177 | 49,490 |
| | 2022,37,575.19 | 225,26,790.82 | 32,27,347 | 2215,37,019 | 612,26,515 | 118,03,686 | - | 16,73,940 | 713,56,261 | 1501,80,758 | 1410,11,061 |
| b. Intangible Assets | - | - | - | - | - | - | - | - | - | - | - |
| c. Capital Work In Progress | - | 137,66,330 | - | 137,66,330 | - | - | - | - | - | 137,66,330 | - |
| GRAND TOTAL | 2022,37,575.19 | 362,93,120.82 | 32,27,347 | 2353,03,349 | 612,26,515 | 118,03,686 | - | 16,73,940 | 713,56,261 | 1639,47,088 | 1410,11,061 |
| PREVIOUS YEAR TOTAL | 1925,15,332.69 | 101,59,484.50 | 4,37,242 | 2022,37,575 | 522,93,915 | 103,94,939 | 11,77,039 | 2,85,300 | 612,26,515 | 1410,11,061 | 1402,21,418 |

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

NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31st MARCH, 2019

(Amount in Rs.)

| Particulars | As At 31-March-19 Rs. | As At 31-March-18 Rs. |
|--|-----------------------------|-----------------------------|
| NOTE - 11 : LONG TERM LOANS & ADVANCES: | | |
| Security Deposits | 24,22,735 | 11,04,591 |
| TOTAL NOTE 11 | 24,22,735 | 11,04,591 |
| NOTE - 12 : INVENTORIES: | | |
| <i>(As taken ,valued and certified by the management)</i> | | |
| Raw Materials | 1306,67,999 | 974,39,142 |
| Finished Goods | 462,49,310 | 193,32,422 |
| Semi-Finished Goods | 98,72,058 | 98,19,754 |
| TOTAL NOTE 12 | 1867,89,367 | 1265,91,318 |
| NOTE - 13 : TRADE RECEIVABLES: | | |
| [Refer Note 25(12)] | | |
| <i>(Unsecured and considered good as certified by the management)</i> | | |
| (a) Secured, considered good : | - | - |
| (b) Unsecured, considered good : | | |
| - Outstanding or a period exceeding six months from the date they are due for payment. | 42,94,480 | 34,82,727 |
| - Outstanding or a period less than six months from the date they are due for payment. | 884,84,777 | 722,01,600 |
| TOTAL NOTE 13 | 927,79,257 | 756,84,327 |
| NOTE - 14 : CASH AND CASH EQUIVALENTS : | | |
| a. Cash on Hand | 3,33,836 | 13,46,980 |
| b. Balances with banks | | |
| In Deposit Accounts | 3,72,611 | 7,19,973 |
| In Current Accounts | 81,274 | 57,855 |
| TOTAL NOTE 14 | 7,87,721 | 21,24,807 |
| NOTE - 15 : SHORT TERM LOANS AND ADVANCES: | | |
| <i>(Unsecured and considered good as certified by the management)</i> | | |
| a. Prepaid Expenses | 21,76,422 | 11,15,298 |
| b. Balances With Government Authorities | 264,67,126 | 180,25,487 |
| c. Advances to Suppliers | 67,41,958 | 44,90,973 |
| TOTAL NOTE 15 | 353,85,505 | 236,31,758 |
| NOTE - 16 : OTHER CURRENT ASSETS: | | |
| <i>(Unsecured and considered good as certified by the management)</i> | | |
| a. Interest Accrued on Deposits | 94,695 | 67,104 |
| b. Other Receivables | 37,07,057 | 35,21,859 |
| TOTAL NOTE 16 | 38,01,752 | 35,88,963 |

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, 2019

(Amount in Rs.)

| Particulars | For The Year 31-March-19 Rs. | For The Year 31-March-18 Rs. |
|--|------------------------------------|------------------------------------|
| NOTE - 17 : REVENUE FROM OPERATION: | | |
| a. Sale of Products | 6427,57,879 | 5113,48,111 |
| b. Other Operating Revenues | 57,37,905 | 15,18,100 |
| TOTAL NOTE : 17 | 6484,95,784 | 5128,66,211 |
| NOTE - 18 : OTHER INCOME : | | |
| Interest Income | 1,91,925 | 1,12,585 |
| Foreign Exchange Fluctuation | 46,46,636 | 13,21,028 |
| Other Misc. Income | 3,96,858 | - |
| TOTAL NOTE : 18 | 52,35,419 | 14,33,613 |
| NOTE - 19 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED : | | |
| Opening Stock : | 974,39,142 | 773,79,101 |
| Add : Purchases | 4795,42,405 | 3580,02,726 |
| Less : Closing Stock | 1306,67,999 | 974,39,142 |
| Raw Materials & Components Consumed | 4463,13,548 | 3379,42,685 |
| NOTE - 20 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE : | | |
| a. Stock At Close | | |
| Finished Goods | 462,49,310 | 193,32,422 |
| Semi-Finished Goods | 98,72,058 | 98,19,754 |
| Total (a) | 561,21,368 | 291,52,176 |
| b. Stock At Commencement | | |
| Finished Goods | 193,32,422 | 293,80,918 |
| Semi-Finished Goods | 98,19,754 | 99,69,515 |
| Total (b) | 291,52,176 | 393,50,433 |
| TOTAL NOTE 20 (b-a) | (269,69,192) | 101,98,257 |

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, 2019

(Amount in Rs.)

| Particulars | For The Year 31-March-19 Rs. | For The Year 31-March-18 Rs. |
|--|------------------------------------|------------------------------------|
| NOTE - 21 : EMPLOYEE BENEFITS EXPENSES : | | |
| Salary, Wages and Bonus (including directors remuneration) | 513,62,116 | 469,30,324 |
| Contribution to Provident Fund & Gratuity Fund Provision | 28,44,205 | 25,76,419 |
| Staff Welfare Expenses | 129,23,383 | 61,64,292 |
| TOTAL NOTE : 21 | 671,29,704 | 556,71,035 |
| NOTE - 22 : FINANCE COSTS : | | |
| Interest on Term Loans | 48,39,967 | 66,42,768 |
| Interest on Working Capital Facilities | 86,71,769 | 130,68,277 |
| Other Interest | 8,083 | 10,024 |
| Other Borrowing Cost | 19,83,684 | 10,96,387 |
| TOTAL NOTE : 22 | 155,03,503 | 208,17,456 |
| NOTE - 23 : OTHER EXPENSES : | | |
| a. Manufacturing & Operating Costs | | |
| Consumption of Electirc, Power and Fuel | 99,88,089 | 100,88,778 |
| Machinery Repairs & Maintenance | 37,56,076 | 22,78,079 |
| Building Repairs & Maintenance | 4,22,055 | 5,73,009 |
| Electric Repairs & Maintenance | 3,80,256 | 3,17,243 |
| Rent | 12,000 | 3,06,000 |
| Other Manufacturing & Operating Expenses | 31,35,891 | 8,02,155 |
| Total (a) | 176,94,367 | 143,65,265 |
| b. Sales & Distribution Expenses | | |
| Advertisement | 127,42,087 | 4,94,400 |
| Sales Promotion Expenses | 132,48,429 | 41,09,160 |
| Export Related Expenditure | 90,63,516 | 49,84,328 |
| Transportation & Loading Expenses | 20,04,535 | 6,81,649 |
| Rates & Taxes | - | 77,337 |
| Total (b) | 370,58,567 | 103,46,875 |
| c. General & Administrative Expenses | | |
| Rates & Taxes | 12,91,059 | 9,63,466 |
| Conveyance, Tour and Travelling Expenses | 21,24,929 | 9,94,369 |
| Audit Fees | 1,25,000 | 1,00,000 |
| Legal and Professional Expenses | 98,86,955 | 25,13,795 |
| Insurance | 12,42,109 | 12,67,956 |
| Loss on Disposal of Fixed Assets | 11,82,407 | 1,942 |
| General Administration Expenses | 173,28,149 | 82,01,891 |
| Total (c) | 331,80,607 | 140,43,419 |
| TOTAL NOTE 23 (a+b+c) | 879,33,541 | 387,55,559 |

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NOTE 24: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies:

(i) Basis of preparation:

These financial statements 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.

(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.

(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.

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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) Property, Plant & Equipment:

Tangible Assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Tangible 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 tangible assets are capitalized. Long-term leasehold assets are capitalized under tangible assets.

(v) Depreciation / Amortization on tangible assets:

Depreciation on tangible 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:-

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| 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 & Motor 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.

(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.

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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 tangible 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 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.

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(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 are determined based on best estimates required to

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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

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activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

As per our attached Report of even date

For, and on behalf of Board

For, SVK & Associates
Chartered Accountants
FRN: 118564W

For, SONAM CLOCK LTD.

SD/-
CA. Shilpang Karia
Partner
M. No. 102114

SD/-
Jayeshbhai C. Shah
Chairman & MD
DIN: 00500814

SD/-
Deepaben J. Shah
Whole Time Director
DIN : 01981533

SD/-
Amitbhai J. Vaghjiyani
Chief Financial Officer

SD/-
Minaxi Taladiya
Company Secretary

Date: 28th May, 2019
Place: Morbi

Date: 28th May, 2019
Place: Morbi

SONAM CLOCK LTD.

NOTE - 25 : 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.

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, 2019

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

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. 48.29 lacs (P.Y. 18.10 lacs) Secured against hypothecation of vehicles

Business Loans From Banks & Financial Companies

Amt O/s

Rs.122.29 lacs (P.Y. 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. 1127.45 lacs (P.Y. 1097 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. 30 lacs (P.Y. Rs. 244.03) Lacs carries 9% interest rate and is repayable within 1 year from the balance date

| | | | |
|---|--------------------------------------|----------------------|----------------------|
| 3 | Managerial Remuneration to Directors | <u>2018-19</u> | <u>2017-18</u> |
| | Salaries, Perquisites & Allowances | 168,00,000.00 | 181,00,000.00 |
| | | <u>168,00,000.00</u> | <u>181,00,000.00</u> |
| | | <u>2018-19</u> | <u>2017-18</u> |
| 4 | Payment to Auditor | | |
| | a) Statutory Audit Fees | 1,25,000 | 1,00,000 |
| | Certification & other Fees | - | 1,15,000 |
| | | <u>1,25,000.00</u> | <u>2,15,000</u> |
| 5 | C.I.F. Value of Import | <u>2018-19</u> | <u>2017-18</u> |
| | a) Raw Materials | 1345,42,463 | 1410,95,034 |
| | b) Capital goods | - | - |
| | | <u>1345,42,463</u> | <u>1410,95,034</u> |

| 6 | The consumption of | 2018-19 | | 2017-18 | |
|---|--|--------------------|-------------------|--------------------|--------------------|
| | | Rs. | % | Rs. | % |
| | Raw material | | | | |
| | i) Imported | 1345,42,463 | 30.15% | 1410,95,034 | 41.75% |
| | ii) Indigenous | 3117,71,085 | 69.85% | 1968,47,651 | 58.25% |
| | | <u>4463,13,548</u> | <u>100.00%</u> | <u>3379,42,685</u> | <u>100.00%</u> |
| 7 | Expenditure & Earnings in Foreign Exchange | | 2018-19 | | 2017-18 |
| | a) Expenditure | | - | | - |
| | b) Earnings for sale of goods | | 1505,43,650 | | 1118,64,518 |
| 8 | Deferred Tax Liability Comprise of the following | | 2018-19 | | 2017-18 |
| | a) Deferred tax liabilities | | | | |
| | Related to Fixed Assets | | 113,81,754 | | 107,53,251 |
| | | | <u>113,81,754</u> | | <u>107,53,251</u> |
| | b) Deferred tax assets | | | | |
| | Related to Gratuity | | 4,84,744 | | 4,37,633.00 |
| | | | <u>4,84,744</u> | | <u>4,37,633.00</u> |
| | Deferred Tax Liability / (Assets) (Net) (a-b) | | <u>108,97,010</u> | | <u>103,15,618</u> |
| 9 | Earning Per Share (Amt Rs. in Lacs unless otherwise stated) | | 2018-19 | | 2017-18 |
| | Continuing & Total Operations | | | | |
| | Net Profit after tax (PAT) | | 370,46,081.83 | | 290,39,083.15 |
| | Net Profit available to equity share holders | A | 370,46,081.83 | | 290,39,083.15 |
| | Add: Exceptional & Extra-Ordinary Items (Net of Taxes) Net | | - | | - |
| | Profit Before Exceptional & Extra-Ordinary items | B | 370,46,081.83 | | 290,39,083.15 |
| | Weighted Nos. of Equity Shares used as denominated for calculating the Basic EPS after issue of Bonus Shares | | | | |
| | | C | 94,54,093 | | 72,00,000 |
| | Basic EPS Before Exceptional & Extra-Ordinary items (Amt. in Rs.) | (A/C) | 3.92 | | 4.03 |
| | Basic EPS After Exceptional & Extra-Ordinary items (Amt. in Rs.) | (B/C) | 3.92 | | 4.03 |

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

(Amt. Rs. in Lacs)

Benefits' 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 | 2018-19 | 2017-18 |
|---|------------|------------|
| Opening defined benefit obligation | 15,88,332 | 15,86,502 |
| Interest Cost | 1,11,183 | 1,15,869 |
| Current Service Cost | 5,72,589 | 4,77,201 |
| Benefit Paid | - | - |
| Actuarial (Gain) / Losses on obligation | (5,29,674) | (5,91,240) |
| Closed Defined benefit obligation | 17,42,430 | 15,88,332 |

(II) Details of defined benefit gratuity plan

| Particulars | 2018-19 | 2017-18 |
|--|-----------|-----------|
| Defined benefit obligation (A) | 17,42,430 | 15,88,332 |
| Fair Value of plan asset (B) | - | - |
| Present value of Unfunded obligation (C=A-B) | 17,42,430 | 15,88,332 |
| Less: Unrecognized past service Cost (D) | - | - |
| Plan Asset / (Liability) (E=C-D) | 17,42,430 | 15,88,332 |

(III) Net Employee Benefit expenses in Profit & Loss Account

| Particulars | 2018-19 | 2017-18 |
|--|------------|------------|
| Current Service Cost | 5,72,589 | 4,77,201 |
| Interest Cost on benefit obligation | 1,11,183 | 1,15,869 |
| Expected return on plan assets | - | - |
| Net Actuarial (Gain)/Loss recognized in the year | (5,29,674) | (5,91,240) |
| Past Service Cost | - | - |
| Net Benefit Expense / (Income) | 1,54,098 | 1,830 |

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

| Particulars | 2018-19 | 2017-18 |
|--|-----------|-----------|
| Defined Benefit obligation | 17,42,430 | 15,88,332 |
| Plan Assets | - | - |
| Surplus / (Deficit) | 17,42,430 | 15,88,332 |
| Experience adjustments on Plan Liabilities | - | - |
| Experience adjustments on Plan Assets | - | - |

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

| Particulars | 2018-19 | 2017-18 |
|---------------------------------|---|---|
| Retirement Age to be Assumed at | 60 Years | 60 Years |
| Rate of Discounting | 7% p.a. | 7.5% p.a. |
| Future Salary rise | 5.00% p.a. | 5.00% p.a. |
| Withdrawal Rate | | |
| For 18 to 30 Years p.a. | 25.00% p.a. | 50.00% p.a. |
| For 30 to 44 Years p.a. | 25.00% p.a. | 30.00% p.a. |
| For 44 to 60 Years p.a. | 25.00% 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 | 20.00 |

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.

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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
 Rutvi J Shah, Director
 Sejal Hareshbhai Shah, CS
 Amitbhai Jamnadas Vaghajiyani, CFO
 Jatin Shashikant Movani, Production Head
 Samir Champaklal Doshi, Marketing Head

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) | |
|---------------------------------|---|--------------------|----------|
| | | 2018-19 | 2017-18 |
| Transactions | | | |
| Jayeshbhai C. Shah | Loans & Advances Received | 112.00 | 231.00 |
| Deepaben J. Shah | Loans & Advances Received | 25.00 | 61.00 |
| Jayeshbhai C. Shah (HUF) | Loans & Advances Received | - | - |
| Jayeshbhai C. Shah | Loans & Advances Repaid | 213.24 | 480.18 |
| Deepaben J. Shah | Loans & Advances Repaid | 140.91 | 107.89 |
| Jayeshbhai C. Shah | Directors' Remuneration | 96.00 | 112.00 |
| Deepaben J. Shah | Directors' Remuneration | 66.00 | 69.00 |
| Rutvi J Shah | Directors' Remuneration | 6.00 | - |
| Sejal Hareshbhai Shah | Salary | 1.57 | 0.83 |
| Kuhushboo Mehta | Salary | 0.41 | - |
| Amitbhai Jamnadas Vaghajiyani | Salary | 6.00 | 0.30 |
| Jatin Shashikant Movani | Salary | 6.00 | 0.35 |
| Samir Champaklal Doshi | Salary | 4.80 | 0.40 |
| Jayeshbhai C. Shah | Interest Paid | 2.12 | 27.82 |
| Deepaben J. Shah | Interest Paid | 2.28 | 15.55 |
| Jayeshbhai C. Shah (HUF) | Interest Paid | - | 2.78 |
| Jayeshbhai C. Shah | Rent Paid | 0.06 | 1.53 |
| Deepaben J. Shah | Rent Paid | 0.06 | 1.53 |
| Closing Balances Dr/(Cr) | | | |
| Jayeshbhai C. Shah | For Loan Liability / Advance | (25.00) | (125.10) |
| Deepaben J. Shah | For Loan Liability / Advance | (5.00) | (118.93) |
| Jayeshbhai C. Shah | For Interest Rent & Directors' Remuneration Payable | (5.31) | (19.31) |
| Deepaben J. Shah | For Interest Rent & Directors' Remuneration Payable | (3.57) | (9.93) |
| Rutvi J Shah | For Directors' Remuneration Payable | (1.80) | - |
| Sejal Hareshbhai Shah | For Salary Payable | - | (0.17) |
| Kuhushboo Mehta | For Salary Payable | (0.17) | - |
| Amitbhai Jamnadas Vaghajiyani | For Salary Payable | (0.50) | (0.30) |
| Jatin Shashikant Movani | For Salary Payable | (0.50) | (0.35) |
| Samir Champaklal Doshi | For Salary Payable | (0.40) | (0.40) |

Companies / Entities owned / significantly influenced by Directors

| Name of Related Parties | Transaction | Amt. (Rs. in Lacs) | |
|---------------------------------|---|--------------------|---------|
| | | 2018-19 | 2017-18 |
| Transactions | | | |
| Rutvi Enterprise | Purchases (Incl. Taxes) | 248.20 | 246.76 |
| Closing Balances Dr/(Cr) | | | |
| Rutvi Enterprise | Advance to Suppliers / (Trade Payables) | (22.09) | (7.01) |

Companies / Entities owned / significantly influenced by relatives of directors

| Name of Related Parties | Transaction | Amt. (Rs. in Lacs) | |
|---------------------------------|---------------------------|--------------------|---------|
| | | 2018-19 | 2017-18 |
| Transactions | | | |
| Sonam Tradelink LLP | Sales (Net) (Incl. Taxes) | 328.90 | 402.78 |
| Closing Balances Dr/(Cr) | | | |
| Sonam Tradelink LLP | Trade Receivables | 93.01 | 105.17 |

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- 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. 0.12 Lacs (Rs. 3.06 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.

| 15 <u>Contingent Liabilities*</u> | <u>2018-19</u> | <i>Amt. Rs.in Lacs</i> <u>2017-18</u> |
|--|----------------|--|
| (i) Outstanding LC / BG | | |
| LC Outstanding | 23.97 | 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 During the year under review, the board has declared Interim Dividend of Rs. 0.5 per share in its board meeting held on 14th November, 2018. The same has been paid except Rs. 6,000 being unclaimed.
The board has proposed final Dividend of Rs. 0.5 per share in its board meeting held on 28th May, 2019.
- 17 Dues from the other companies / parties under the same management at year end have been covered under related party disclosures.
- 18 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.
- 19 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.
- 20 Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.
- 21 Previous year Accounts have been audited by statutory auditor M/s. D.V. Bakrania & Associates (FRN: 127116W) for the year ended on 31.03.2018. The same has been relied upon by us.
- 22 Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

Signature to Notes 1 to 25

As per our attached report of even date
For, SVK & Associates
Chartered Accountants
Firm No. - 118564W

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

SD/-
CA. Shilpang V. Karia
Partner
M. No. - 102114

SD/-
Jayeshbhai C. Shah
Chairman & MD
DIN : 00500814

SD/-
Deepaben J. Shah
Whole Time Director
DIN : 01981533

Place : Morbi
Date : 28th May, 2019

SD/-
Amitbhai J. Vaghjiyani
Chief Financial Officer

SD/-
Minaxi Taladiya
Company Secretary