



Date: 17.07.2020

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

SYMBOL: SONAMCLOCK

SUB: SUBMISSION OF ANNUAL REPORT FOR THE YEAR ENDED AS ON 31ST MARCH, 2020

Dear Sir/ Madam,

In compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 we hereby submit copy of 19th Annual Report for the financial year 2019-20.

In pursuant to compliance of MCA circular No. 14/2020 dated April 8, 2020, and 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the 19th Annual General Meeting (AGM) of Sonam clock limited will be held on Saturday, 8th August, 2020 at 11:30 A.M. via. Video conference (VC)/other audio visual means (OAVM).

The details on the manner of attending the AGM and casting votes by the shareholders via. Electronic Mode is set out in the notice of the AGM attached herewith.

The annual report will be sent to the shareholders of company whose email id register with the company/Depository participant. The shareholders whose email id not registers with the company may demand annual report copy through request sent at Email at cs@sonamquartz.com.

The Annual report also available at the website of company at www.sonamquartz.com.

Please take the note of the same.

Thanking You.

For, Sonam Clock Limited,



Jayeshbhai Chhabildas Shah

DIN: 00500814

CMD

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



19th
ANNUAL
REPORT

2019-20

SONAM CLOCK LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Jayesh Chhabildas Shah
Mrs. Deepaben Jayeshbhai Shah
Mr. Shreyansh Vijaybhai Vora
Mr. Jigar Dipakbhai Mehta
Mr. Harshil Jayeshbhai Shah

CHIEF FINANCIAL OFFICER

Mr. Amitbhai Jamnadas Vaghajiyani

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Milan Sureshbhai Ganatra

STATUTORY AUDITORS

M/s. SVK & Associates,
Chartered Accountants
(FRN: 118564W)

INTERNAL AUDITOR

M/s. D. V. Bakrania & Associates
Chartered Accountants
FRN: 127116W

SECRETARIAL AUDITOR

M/s. R. V. Gandhi & Co.
Practicing Company Secretaries,
CP No. 7120

BANKERS

Bank Of India

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L33302GJ2001PLC039689

WEBSITE

www.sonamquartz.com

INVESTOR SERVICES EMAIL ID

cs@sonamquartz.com

REGISTRAR AND SHARE TRANSFER AGENT

BIG SHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin works Building, Opp. Vasant oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059

Email Id: ipo@bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

CONTENT OF ANNUAL REPORT 2019-20

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PROFILE OF DIRECTORS & KMP

MR.JAYESHBHAI C. SHAH (CHAIRMAN & MANAGING DIRECTOR)



Mr. Jayeshbhai C. Shah Chairman and Managing Director of company of Sonam clock Limited has nearly 21 years of experience in clock Business. He has received various awards and also rewarded by various institutions and news channels for his entrepreneurship. He is looking to and responsible for overall working of company.

In addition to this he is instrumental in making strategic decisions for the Company and an eminent individual. He has huge experience of clock business line and lay hold of strategic business decisions of company. He smash major role in development of company.

**MRS.DEEPABEN JAYESHBHAI SHAH
(WHOLE TIME DIRECTOR)**



Mrs. Deepaben J. Shah, whole time Director of Sonam Clock Limited, is a Post graduate in Master in Commerce and handles and manages administrative activities of the company, taking heed of day-to-day activities. She also takes active participation in Human Resource planning & management, making policy and decisions for Human Resources management & Development of the same. She also manages the interconnection of various departments for various communications and dealings in the same.

**MR. AMITBHAI J. VAGHAJIYANI
(CHIEF FINANCIAL OFFICER)**



Mr. Amit J. Vaghajiyani, CFO of Sonam clock Limited having experience of 24 years in the field of accounting and finance. He is also providing leadership, direction and management of the finance and accounting team. Providing strategic recommendations to the CEO or MD and members of the executive management team. Also advising on long-term business and financial planning. He is handling all the assignment of financial related Matters. Working with Sonam clock limited since 1996 and handling accounting department more than 10 years.

MANUFACTURING OVERVIEW & CORPORATE CLIENTS

Started in 1996, Jayesh Shah's Sonam Clocks grew from a small shop in Mumbai to a big manufacturing enterprise in Morbi, Gujarat. Today, the company manufactures up to 15,000 + wall clocks, and is seeing 50,000 clock movements a day and further extended manufacturing capacity for the same up-to 1,00,000 clock movements a day.

After starting small in Mumbai, Mr. Jayesh Shah quickly realised he should shift his business to Morbi in Gujarat, which is the hub of clocks manufacturing in India.

The Clock and Watch Manufacturing Industry in India consists of firms that manufacture a range of watches, clocks, and other timing instruments or parts, such as parts of clock and movements. This industry also includes firms that manufacture watch and clock parts and components (e.g. straps, springs, wheels, hand, dials and cases), along with time switches with clock or watch movements or with synchronous motors.

Level of economic development Increasing per capita income and purchasing power has boosted demand for watches in recent years.

Company has purchased 1,92,000 SQ. FT. (approx.) new land and constructed new building to increase the manufacturing capacity of the company. Some of departments are ready and started production also, out of this some are in work - in- process. company is ready to meet all the sales and purchase orders on and before time, in such a way company is in the way of progress and achieving its goals an create satisfactory clients base in market with best quality.

Due to COVID - 19 effects there has decreased in sales in the first quarter of financial year, but in upcoming time company may achieve its sales goal by increase in domestic sales and export.

Thus, began the journey of Sonam Clocks, currently India's largest producer of clock movements and second largest manufacturer of wall clocks.

SONAM CLOCK LIMITED

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

Email Id: info@sonamquartz.com

CIN:L33302GJ2001PLC039689

Website: www.sonamquartz.com

Contact No: +91 2822285017, Fax: +91 2822285987

NOTICETO MEMBERS

Notice is hereby given that the 19th Annual General Meeting of the Members of SONAM CLOCK LIMITED (Formerly known as Sonam Clock Private Limited) will be held on Saturday, **8thAugust, 2020 at 11:30 A.M.** through video conferencing (“VC”) /Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1 ADOPTION OF FINANCIAL STATEMENT:

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

To receive, consider and adopt the Audited Financial Statement for the financial year ended on March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

“RESOLVED THAT the Board’s Report with Annexures, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2020 and the Financial Statement as at that date together with the Independent Auditors’ Report thereon be and are hereby considered, approved and adopted.”

ITEM NO. 2 –TO APPOINT MRS. DEEPABEN JAYESHBHAI SHAH (DIN: 01981533) AS A DIRECTOR OF THE COMPANY BEING ELLIGIBLE OFFERS HERSELF FOR RE-APPOINTMENT:

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, 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.”

SPECIAL BUSINESS:

ITEM NO: 3: TO CONFIRM APPOINTMENT OF MR. HARSHIL JAYESHBHAI SHAHAS DIRECTOR AND APPROVE REMUNERATION:

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

“RESOLVED THAT pursuant to the provisions of Section –161 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Mr. Harshil Jayeshbhai Shah (DIN: 07230243), who was appointed as Additional Director of the Company at the Board Meeting of the Company held on 30th June,2020 and who holds office up-to the ensuing Annual General Meeting be and is hereby appointed as Non-executive Director of the Company.”

“RESOLVED THAT pursuant to Sections 2(78), 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules made there under and subject to the provisions of Articles of Association of the Company, consent of members of the Company, be and is hereby accorded for approval of remuneration of Mr. Harshil Jayeshbhai Shah (DIN: 07230243) maximum Rs. 2,00,000 (Rupees Two Lakhs only) per month which includes all perquisites w.e.f. 01.07.2020, however director can draw lower remuneration than maximum looking to adequacy of profit and fund if any required for expansion of the business operations and to alter and vary the terms and conditions in such manner as may be agreed be and between the Board and Mr. Harshil Jayeshbhai Shah (DIN: 07230243), subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the company in any financial year, the aforesaid remuneration shall be paid as minimum remuneration to Mr. Harshil Jayeshbhai Shah (DIN: 07230243).”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the aforesaid terms as to remuneration within the ceiling limits as mentioned aforesaid.”

“RESOLVED FURTHER THAT subject to the limits contained in Section – 197 read with Schedule V of the Companies Act, 2013, Mr. Harshil Jayeshbhai Shah (DIN: 07230243), Director, be paid remuneration as remuneration terms recommended by the Board and also mentioned below :

I. REMUNERATION:

Rs. 2,00,000 (Rupees Two Lakhs only) per month subject to revision from time to time.

II. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS:

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration which includes all incentives shall be paid subject to the maximum limits prescribed under Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT the remuneration including all benefits, amenities and perquisites shall nevertheless be paid and allowed to Mr. Harshil Jayeshbhai Shah (DIN: 07230243), as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed there under and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such Acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution and to file necessary E Forms with Registrar of Companies.”

ITEM NO: 4 TO ACQUIRE IMMOVABLE PROPERTY FROM MR. JAYESHBHAI CHHABILDAS SHAH AND MRS. DEEPABEN JAYESHBHAI SHAH:

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company to enter into related party transaction(s) with Mr. Jayeshbhai Chhabildas Shah And Mrs. Deepaben Jayeshbhai Shah to purchase property at monetary value of maximum amount Rs. 6.03 Crores (Rupees Six Crores and Three Lakhs) at prevailing market price of the Company on such terms and conditions as detailed in the explanatory statement hereto.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents, instrument and writing as may be required and to file all such applications, papers, documents in relation to above and to full fill all such legal formalities in the said connection and to form any committee of Directors or any Director and / or Officer of the Company and to appoint any such attorney/person to represent before the concerned authority and to delegate such powers to such person / representative, to give effect to this resolution.”

Date: 16.07.2020
Place: Lajai

By Order of the Board of Directors,
SONAM CLOCK LIMITED

Registered Office:

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

Sd/
Milankumar S. Ganatra
Company Secretary

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 19thAGM of the Company is being held through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders

holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The relevant details pursuant to regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed in Annexure-I.
9. Mr. Harshil Jayeshbhai Shah appointed as Non-executive Additional Director w.e.f 30th June,2020. Brief profile of Mr. Harshil Jayeshbhai Shah is annexed in Annexure-

Il respectively to appoint as Non-executive director of the company as per regulation 26(3), 36(3) of SEBI Listing Regulations.

10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cs@sonamquartz.com with a copy marked to evoting@nsdl.co.in.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held by them in electronic form.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.sonamquartz.com. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in electronic form.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
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. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form.

17. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain close from Saturday, **1st August, 2020 to Saturday, 8th August, 2020 (both days inclusive)** in connection with the Annual General Meeting.
18. The Company or its Registrars and Transfer Agents, Big Share Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.
20. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
21. 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
22. 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 any of the above mentioned financial years and/ or send for revalidation the unencashed Dividend Warrants still held by them to the Registrars and Transfer Agents of the Company.
23. The Company has fixed Friday, 31st July, 2020, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.

24. Ms. Dhara Patel, Company Secretary in Practice (M. No: 29198, COP No.:10979) has been appointed as a Scrutinizer to scrutinize the voting and process for the Annual General Meeting in a fair and transparent manner.
25. The Explanatory Statement, pursuant to section 102 of the companies Act, 2013 setting out facts concerning the business under Item no.3 and 4.
26. 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.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 28. The Instructions for members for remote E-Voting are As under:-**

The remote e-voting period begins on 5th August, 2020 at 09:00 A.M. and ends on 7th August, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

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 are 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.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 are 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 to (Name of NSDL Official) at evoting@nsdl.co.in

29. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to company email id at cs@sonamquartz.com.

30. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

31. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

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1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name Demat account number/folio number, email id, mobile number at cs@sonamquartz.com. The same will be replied by the company suitably.

**ANNEXURE: I
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE
19TH ANNUAL GENERAL MEETING**

**[PURSUANT TO REGULATION 36(3) OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015]**

Name of Director	Deepaben Jayeshbhai Shah
Date of Birth	20/02/1969
Age	51 year
Date of Appointment	21.06.2001
Expertise in specific Functional Areas	Having experience in the field of Management and Administrative activity of the company.
Qualifications	Master of Commerce
Directors in other Public Companies	NIL
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	Sonam Clock Limited Stakeholders Relationship Committee Member
Inter Relationship	Relative (Wife) of Jayeshbhai C. Shah and (Mother) Harshil Jayeshbhai Shah
Shares held in the Company as at 31 st March, 2020	4,80,000 Equity Shares (4.8%)

**ANNEXURE: II
DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE
19TH ANNUAL GENERAL MEETING**

**[PURSUANT TO REGULATION 36(3) OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015]**

Name of Director	Harshil Jayeshbhai Shah
Date of Birth	29.11.1996
Age	23 year
Date of Appointment	30.06.2020
Expertise in specific Functional Areas	Having 2 years' experience in the field of Production and Design of various wall clocks
Qualifications	H.S.C.
Directors in other Public Companies	SKSE Securities Limited-Director
Other Positions	NIL
Membership of Committees in other unlisted Public Companies	----
Inter Relationship	Relative (Son) of Jayeshbhai C. Shah and Deeben J. Shah
Shares held in the Company as at 31 st March, 2020	100 Equity Shares (0.0001%)

EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)

The following statement sets out all material facts relating and the special businesses mentioned in the accompanying Notice:

ITEM NO: 3: TO CONFIRM APPOINTMENT OF MR. HARSHIL JAYESHBHAI SHAHAS DIRECTOR AND APPROVAL OF REMUNERATION:

Mr. Harshil Jayeshbhai Shah is appointed as additional director in SONAM CLOCK LIMITED w.e.f. 30th June,2020. Keeping in view that Mr. Harshil Jayeshbhai Shah having more than 2years' experience in the field of Production and Design of various wall clocks and it would be in the interest of the Company to appoint him as Non-executive director of the company.

In view of the aforesaid facts, the Board of Directors of the Company at their Meeting held on 16th July,2020 had approved the appointment as director and the remuneration of Mr. Harshil Jayeshbhai Shah as set out in the Resolution subject to the approval of shareholders at the Annual General meeting.

Mr. Harshil Jayeshbhai Shah may deem to be concerned or interested, financially or otherwise, in respect of his remuneration. Mr. Jayeshbhai Chhabildas Shah, Managing Director and Mrs. Deepaben Jayeshbhai Shah, Whole time Director of the Company, are relatives of Mr. Harshil Jayeshbhai Shah to the extent of their shareholding interest in the Company.

Save and except as above, none of the other Directors of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

1.	Nature of Industry	Wall Clock Industry
2.	Date or Expected Date of Commencement of Commercial Production	The Commercial production is already started.
3.	In case of New Companies, expected date of commencement of activities as per project	Not Applicable

	approved by financial Institutions appearing in the prospectus.			
4.	Financial performance based on given indicators.	Particulars	2019-20 (Rs. In Lacs)	2018-19 (Rs. In Lacs)
		Total Income	6036.77	6537.31
		Profit Before Tax, Financial Cost and Depreciation	693.3	793.24
		Depreciation	120.07	118.04
		Finance Cost	171.58	155.04
		Profit Before Tax	401.65	520.16
		Tax	116.44	149.70
		Profit After Tax	285.21	370.46
		Equity Capital 1,00,08,000 Equity Share Capital	1000.8	1000.8
		Earnings per share (Rs.)	2.85	3.92
5.	Export performance based on given indicators.	Particulars	2019-20 (Rs. In Lacs)	2018-19 (Rs. In Lacs)
		Foreign Exchange Earning	1681.02	1505.43
		Foreign Exchange Outgo	--	--
6.	Foreign Investments or Collaborators, if any.	The Company did not have any foreign Investments or collaborations.		

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details:

Mr. Harshil Jayeshbhai Shah has completed his higher secondary education. He has invested his efforts, dedication, Knowledge, and experience in the clock industry. He is one of the member promoter groups of the company. He has 2 years' experience in the clock industry. He is a visionary entrepreneur who is well versed with industry.

2. Recognition or awards:

Mr. Harshil Jayeshbhai Shah is well recognized for his visionary and entrepreneur skill in managing business activities and has been efficiently managing overall affairs of the Company.

3. Job Profile and his suitability:

In the capacity of Director of the Company Mr. Harshil Jayeshbhai Shah shall be responsible for handling production department and providing overall handling of affairs of the Company's as well as operations or such other roles and responsibilities as may be assigned to him by the Board from time to time.

4. Remuneration proposal:

Remuneration Upto Rs. 2,00,000/- (Rupees Two lakhs only) per month inclusive of all perks and facilities.

5. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person.

Since the Company is involved in variety of products, it would not be possible to compare the remuneration in similar type of Industry.

6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Harshil Jayeshbhai Shah along with his relatives holding more than 70% of the equity shares capital of the company. Accordingly, he may be deemed having pecuniary relation, directly and indirectly, with the company.

III. OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits:

Company is primarily engaged in clock industry for dealing in securities wherein margins remain stretched.

2. Step taken or proposed to be taken for improvement:

Focus has been placed to increase more customers so as to increase the sales turnover of the Company and this will result into increase in the profit of the Company.

3. Expected increase in productivity and profit in measurable terms:

Looking at the past performance and efforts being made during the year, the Company is expecting to achieve at least current growth.

Mr. Jayeshbhai C. Shah, Mrs. Deepaben J. Shah and Mr. Harshil Jayeshbhai Shah are concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 3 of the notice for approval by the shareholders to be passed as an Special Resolution at Annual General meeting.

ITEM NO: 4

ACQUISITION OF IMMOVABLE PROPERTY FROM JAYESHBHAI C. SHAH AND DEEPABEN J. SHAH

The Board of directors of the company at its meeting held on 16th July, 2020 accorded its approval for execution of Purchase Deed for the acquisition of immovable property for Acquisition of Immovable Property situated at Survey No. 337/p, Morbi Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi from Jayeshbhai C. Shah and Deepaben J. Shah, Promoter of the Company (“Related Party”) for a total consideration up to a maximum of Rs. 6.03 Crore subject to the approval of shareholders at the Annual General meeting.

The following disclosure(s) for acquisition of properties from the related party is made in accordance with the provisions of sections 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.

(a)	Name of the related party	Mr. Jayeshbhai C. Shah and Mrs. Deepaben J. Shah
(b)	Name of the director or key managerial personnel who is related, if any	Jayeshbhai C. Shah & Deepaben J. Shah, KMPs Harshil Jayeshbhai, Additional Director
(c)	Nature of relation	Jayeshbhai C. Shah & Deepaben J. Shah, KMPs Harshil Jayeshbhai, Additional Director
(d)	Nature, material terms, monetary value and particulars of the contract or arrangements;	Purchase of property being Factory Land and Building situated at Survey No. 337/p, Morbi Rajkot Highway, Lajai, Tal. Tankara, Dist. Morbi at Value of not exceeding Rs. 6.03 Crore.
(e)	Any Advance Paid Or Received For The Contract Or Arrangement, If Any	Nil
(f)	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The price of property decided based on the current market value.
(g)	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes whether all factors relevant to the contract have been considered.

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Mr. Jayeshbhai C. Shah, Mrs. Deepaben J. Shah and Mr. Harshil Jayeshbhai Shah are concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 4 of the notice for approval by the shareholders to be passed as an Ordinary Resolution at Annual General meeting.

DIRECTORS' REPORT

To,
The Members,
SONAM CLOCK LIMITED

The Directors present the 19th Annual report of the Company along with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE:

The Company's financial performance for the year under review along with previous year figures is given hereunder:

(Rs. In Lakhs)

Particulars	Standalone	
	Financial Year	Financial Year
	2019-20	2018-19
	(FY 2020)	(FY 2019)
Revenue from Operations	5996.25	6484.96
Other Income	40.52	52.35
Total revenue	6036.77	6537.31
Operating Profit (Before Finance Cost and Depreciation & Amortisation)	693.3	793.24
Less: Finance Cost	171.58	155.04
Profit before Depreciation & Amortisation	521.72	638.2
Less: Depreciation & Amortisation	120.07	118.04
Profit before Exceptional and Extraordinary item and Tax	401.65	520.16
Less: Exceptional items (Impairment Loss)	--	--
Profit before Tax	401.65	520.16
Less: Net Current Tax Expense pertaining to current year	102.09	142.51
Less/(Add): Net Current Tax Expense pertaining to prior year	20.25	1.38
Less/(Add): Deferred Tax	(5.90)	5.81
Profit after Tax	285.22	370.46
Earnings per share for continuing operation		
Basic	2.85	3.92
Diluted	2.85	3.92

DIVIDEND:

In order to conserve the reserve, your directors do not recommend any dividend for the financial year ended, 31st March, 2020.

UNPAID DIVIDEND:

The Total unpaid amount of dividend is Rs.27000 including Rs.6000 Interim dividend declared on 14th November,2018.The details of unclaimed dividend available on the website of the company at www.sonamquartz.com.

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.

TRANSFER TO RESERVE:

The net profit of the company for f.y. 2019-20 is Rs. 285,21,584. 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. 2019-20 transfer to the surplus account.

COMPANY'S PERFORMANCE REVEIW:

On a standalone basis, the revenue from operations for FY 2019- 2020 was Rs.5996.24 Lakhs over the previous year's revenue from operations of Rs. 6484.95 Lakhs.

Net Profit after for FY 2019- 2020 was Rs. 285.22 Lakh over the previous year's Net Profit after Rs. 370.46 Lakhs.

Earnings per Share for FY 2019- 2020 was Rs. 2.85 over the previous year's Earnings per Share Rs. 3.92.

The Company definitely provide better results to the shareholders in upcoming year via better performance.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

The outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company is into the business of "Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items". The company has evaluated impact of this pandemic on its business operations. Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is not material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

SHARE CAPITAL:

During the year under review, the Company has not increased its paid up share capital and Authorised share capital. The Authorised Share Capital as on 31st March, 2020 Rs. 11,00,00,000 and Paid up share capital as on 31st March, 2020 Rs. 10,00,80,000.

LISTING INFORMATION:

The Equity Shares in the Company are continued to be listed with NSE EMERGE Platform and in dematerialized form. The ISIN No. of the Company is INE00LM01011.

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 2020-21 has been paid.

COMPANY OVERVIEW:

Sonam Clock is one of the largest and leading clocks manufacturing Company in India. Company is well equipped with the world class technology and state-of-the-arts equipment which is 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.

DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet as per section 73 and 76 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 from the part of the notes to the Financial Statements provided in this Annual Report.

QUALITY INITIATIVE:

The Company continues to sustain its commitment to the highest levels of quality, superior product management and mature business continuity management. Our customer-centricity, process rigor, and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels.

During the year, along with focusing on strengthening the Company's foothold in the mass and mass premium segments, the Company ensured a notable presence in the Premium segments with the launch of advanced products that are perfect blend of design, technologies and innovation.

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 and there is no deviation or variation in the Utilization of IPO Fund.

CHANGE IN THE NATURE OF BUSINESS:

There is no Change in the nature of the business of the Company done during the year.

INTERNAL CONTROLS AND THEIR ADEQUACY:

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to

ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.

M/s. D. V. Bakrania & Co. Chartered Accountants, Morbi (ICAI Firm Registration No. 127116W) is the internal auditor of the Company, who conducts Internal 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 does not have any holding, subsidiary and associate Company during the period of Reporting.

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 are under:

TECHNOLOGY ABSORPTION:

Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labour intensive, we believe that mechanization of development through technological innovations is the way to address the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale. Innovation and focus of continuously launching a new offering drive differentiation and creating value has become a norm for the Industry, Thus a robust focus on developing new features and technology solutions to capture the consumer's imagination and fuel the desire for enhanced experiences continues to be critical for Organizations.

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's with latest technologies.

Particulars	F.Y. 2019-20(Amount in Rs.)
Fuels	5,20,400
Power /electricity	1,00,15,216

FOREIGN EXCHANGE:

The foreign exchange earnings and out flow during the period under review for f.y. 2019-20 as follows:

Earning	Rs. 16,81,02,506
Outflow	---

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 retire by rotation and is eligible to offer herself for re-appointment.

Ms. Khushboo Nitin Mehta resigned as Company Secretary and Compliance officer of the company w.e.f. 5th April,2019.

Ms. Minaxi Taladiya appointed as Company Secretary and Compliance officer of the company w.e.f. 13th April,2019 and resigned w. e. f. 31st January,2020.

Mr. Milankumar Sureshbhai Ganatra appointed as Company Secretary and Compliance officer of the company w.e.f. 1stFebruary,2020.

Ms. Rutvi Jayeshbhai Shah resigned as Non-executive Director with effect from 30th June, 2020.

Mr. Harshil Jayeshbhai Shah appointed as Non-executive Additional director w. e. f. 30th June, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, with respect to Director Responsibility Statement, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as 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) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made there under for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(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) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS AND ATTENDANCE:

During the year 2019-20, the Board of Directors met Fourteen (14) times, viz. 05.04.2019, 09.04.2019, 13.04.2019, 03.05.2019, 28.05.2019, 29.06.2019, 29.07.2019, 16.08.2019, 09.09.2019, 30.09.2019, 29.10.2019, 13.11.2019, 01.02.2020 and 05.03.2020.

The interval between any two meetings was well within the maximum allowed gap of 120 days.

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

Name of Director	Category	No of Board Meetings Held & Entitled to Attend	No of Board Meetings Attended
Mr. Jayeshbhai Chhabildas Shah	Chairman & Managing Director	14	13
Mrs. Deepaben Jayeshbhai Shah	Whole-time Director	14	13
Mr. Shreyansh Vijaybhai Vora	Independent Director	14	5
Mr. Jigar Dipakbhai Mehta	Independent Director	14	5
Ms. Rutvi Jayeshbhai Shah	Non-executive director	14	14

COMMITTEES OF THE BOARD:

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, currently, your Board has four (4) Committees viz., Audit Committee, Remuneration & Nomination Committee, Stakeholder Relationship Committee and Corporate Social responsibly committee look into various aspects for which they have been constituted. The Board fixes the terms of reference of Committees and also delegate powers 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 2019-20, Seven (7) meeting of audit committee held on 05.04.2019, 28.05.2019, 29.07.2019, 30.09.2019, 26.10.2019, 13.11.2019 and 05.03.2020. 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 in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1	Mr. Shreyansh Vijaybhai Vora	Chairman of committee	Non-Executive and Independent	7	7

			Director		
2	Mr. Jigar Dipakbhai Mehta	Member	Non-Executive and Independent Director	7	7
3	Mr. Jayeshbhai Chhabildas Shah	Member	Managing Director	7	6

RECOMMENDATIONS BY THE AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS

All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, one meeting of the Nomination and Remuneration Committee met on 29th October, 2019.

Sr. No.	Name of the Director	Status in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1	Mr. Shreyansh Vijaybhai Vora	Chairman of committee	Non-Executive and Independent Director	1	1
2	Mr. Jigar Dipakbhai Mehta	Member	Non-Executive and Independent Director	1	1
3	Ms. Rutvi Jayeshbhai Shah	Member	Non-Executive Director	1	1

The Nomination and remuneration policy available on the website of the company at www.sonamquartz.com.

STAKEHOLDER RELATIONSHIP COMMITTEE

The stakeholder relationship committee comprises non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, four (4) meeting of Stakeholder Relationship Committee were held on 13.04.2019, 08.07.2019, 14.10.2019 and 18.01.2020.

The Composition of Stakeholder and Relationship Committee and the details of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1	Mr. Shreyansh Vijaybhai Vora	Chairman of committee	Non-Executive and Independent Director	4	4
2	Mr. Jigar Dipakbhai Mehta	Member	Non-Executive and Independent Director	4	4
3	Mrs. Deepaben Jayeshbhai Shah	Member	Whole time Director	4	4

CORPORATE SOCIAL RESPONSIBLY COMMITTEE:

The Corporate Social Responsibility committee comprises non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2019-20, One (1) meeting of Corporate Social Responsibility Committee was held on 29th October,2019.

The Composition of Corporate Social Responsibility Committee and the details of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee Nature	Nature of Directorship	No of Meetings Held & Entitled to Attend	No of Meetings attended
1.	Mr. Shreyansh Vijaybhai Vora	Member	Non-Executive and Independent Director	1	1
2.	Mr. Jigar Dipakbhai Mehta	Member	Non-Executive and Independent Director	1	1
3.	Ms. Rutvi jayeshbhai Shah	Member	Non-Executive Director	1	1

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 **Annexure III** and 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 2019-2020.

AUDITORS:

1. STATUTORY AUDITORS:

At the 17th AGM held on August 13, 2018 the Members approved appointment of M/s. S V K & Associates, Chartered Accountants (Firm Registration No. 118564W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 22nd AGM.

2. SECRETARIAL AUDITOR:

The Board of directors 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. (CP. No. 7120), Practicing Company Secretary, Ahmadabad as Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the said Act for the Financial Year 2019-20.

A Secretarial Audit Report for the Financial Year 2019-20 is annexed herewith as Annexure-IV in Form MR-3. There are no adverse observations in the Secretarial Audit Report which call for explanation.

3. INTERNAL AUDITOR

The Board of directors has appointed M/s. D. V. Bakrania & Associates, Chartered Accountant as the internal auditor of the company; The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

4. COST AUDITORS AND THEIR 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.

REVIEW OF AUDITORS REPORT AND SECRETARIAL AUDITORS REPORT:

There are no qualifications, reservations or adverse remarks made by Statutory Auditors M/s. S V K & Associates (FRN: 118564W), Chartered Accountants, Ahmadabad, in the Auditor's report and by Secretarial Auditors M/s. R. V. Gandhi & Co, Ahmadabad, Practicing Company Secretary, in their Secretarial Audit Report for the Financial Year ended March 31, 2020.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory nor the Secretarial Auditors has 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 REPORT:

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 as Annexure V.

DEMATERIALIZATION OF SHARES:

During the year under review, all the equity shares were dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents 100% of the total paid-up capital of the Company. The Company ISIN No. is INE00LM01011 and Registrar and Share Transfer Agent is BIGSHARE SERVICES PRIVATE LIMITED.

DIRECTOR REMUNERATION AND SITTING FEES:

Member's attention is drawn to Financial Statements wherein the disclosure of remuneration paid to Directors is given during the year 2019-20. No Sitting fees have been paid to the Non-executive directors. The Sitting fees paid to Independent Director mentioned in Extract of Annual return. The Nomination and remuneration policy available on the website of the company at www.sonamquartz.com.

RELATED PARTY TRANSACTIONS:

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 as per section 188 of the companies during the year as are detailed in Annexure-VI attached to this report.

CREDIT RATING:

The company has not obtained any rating from any Credit Rating Agency during the year.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 29th October, 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 FROM 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, 2020.

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.

POLICIES OF THE COMPANY:

REMUNERATION AND APPOINTMENT POLICY:

The Company follows a policy on remuneration of Directors and senior management employees, details of the same are given in the website of the Company www.sonamquartz.com.

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.

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.

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 is made available on the website of the company at www.sonamquartz.com.

CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure VII of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy of Corporate Social Responsibility is made available on the website of the company at www.sonamquartz.com.

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.

POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS:

Your Company has adopted a policy on identification of group companies, material creditors and material litigations. The policy on identification of group companies, material creditors and material litigations has been available on the website of the Company www.sonamquartz.com

POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION:

Your Company has adopted a Policy on Determination and Disclosure of Materiality of Events and Information. The policy on Policy on Determination and Disclosure of Materiality of Events and Information has been available on the website of the Company 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-VIII**.

DISCLOSURES BY DIRECTORS:

The Board of Directors have submitted notice of interest in Form MBP 1 under Section 184(1) as well as information by directors in Form DIR 8 under Section 164(2) and declarations as to compliance with the Companies Act, 2013.

DISQUALIFICATIONS OF DIRECTORS:

During the financial year 2019-2020 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.

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.

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 2019-20.

INVESTOR GRIEVANCES REDRESSAL STATUS:

During the Financial Year 2019-20, 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

ACKNOWLEDGEMENT:

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, concerned Government departments and agencies for their co-operation.

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The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

For and on behalf of the Board,
SONAM CLOCK LIMITED

Date:16.07.2020

Place: Lajai

Sd/	Sd/
Jayeshbhai C. Shah	Deepaben J. Shah
Chairman & Managing	Whole time Director
Director	DIN:01981533
DIN:00500814	

**Annexure III to Boards Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on
31st March, 2020**

[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-363641
vi) Whether Listed Company	YES
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Bigshare Services Private Limited 1st 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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

II. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

	No. of Shares held at the beginning of the year					No. of Shares held at the end of year				
	Category of Shareholder	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
(A) Shareholding of Promoter and Promoter Group2										
1	Indian									
a)	INDIVIDUAL / HUF	6719200	0	6719200	67.14	6887200	0	6887200	68.82	1.68
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)									
1	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	DIRECTORS RELATIVES	480800	0	480800	4.80	480800	0	480800	4.80	0.00
	SUB TOTAL :	7200000	0	7200000	71.94	7368000	0	7368000	73.62	1.68
(A) Shareholding of Promoter and Promoter Group2										
2	Foreign									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Promoter Shareholding	7200000	0	7200000	71.94	7368000	0	7368000	73.62	1.68
(B) Public shareholding										
3	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	227000	0	227000	2.27	2.27
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

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	SUB TOTAL :	0	0	0	0.00	227000	0	227000	2.27	2.27
	(B) Public shareholding									
4	Non-institutions									
a)	BODIES CORPORATE	36014	0	36014	0.36	156000	0	156000	1.56	1.20
b)	INDIVIDUAL									
1	(CAPITAL UPTO TO Rs. 1 Lakh)	360000	0	360000	3.60	324000	0	324000	3.24	(0.36)
2	(CAPITAL GREATER THAN Rs. 1 Lakh)	1244986	0	1244986	12.44	1599000	0	1599000	15.98	3.54
c)	ANY OTHERS (Specify)									
1	HINDU UNDIVIDED FAMILY	0	0	0	0.00	99000	0	99000	0.99	0.99
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	CLEARING MEMBER	1164000	0	1164000	11.63	232000	0	232000	2.32	(9.31)
4	NON RESIDENT INDIANS (NRI)	3000	0	3000	0.03	3000	0	3000	0.03	0.00
5	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
6	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
7	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
8	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	2808000	0	2808000	28.06	2413000	0	2413000	24.11	(3.95)
	Total Public Shareholding	2808000	0	2808000	28.06	2640000	0	2640000	26.38	(1.68)
	(C) Shares held by Custodians and against which Depository Receipts have been issued									
5										
e)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
9	Promoter and Promoter Group	7200000	0	7200000	71.94	7368000	0	7368000	73.62	1.68
10	Public	2808000	0	2808000	28.06	2640000	0	2640000	26.38	(1.68)
	Total Public Shareholding	2808000	0	2808000	28.06	2640000	0	2640000	26.38	(1.68)
	GRAND TOTAL	10008000	0	10008000	100.00	10008000	0	10008000	100.00	(0.00)

II.) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:

SL No	Shareholder's Name	Shareholding at beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			
		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	% Change
1	Harshil Jayeshbhai Shah	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
2	Jatin Shabsikant Movani	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
3	Amitbhai Jamnadas Vakhajiyani	100	0.0010	0.0000	100	0.0010	0.0000	0.0000

4	Samir Champaklal Doshi	100	0.0010	0.0000	100	0.0010	0.0000	0.0000
5	Deepaben Jayeshbhai Shah	480000	4.7962	0.0000	480000	4.7962	0.0000	0.0000
6	Shah Jayesh Chhabildas (HUF)	480400	4.8002	0.0000	480400	4.8002	0.0000	0.0000
7	Jayeshbhai Chhabildas Shah	6239200	62.3421	0.0000	6407200	64.0208	0.0000	1.6787
TOTAL		7200000	71.9425		7368000	73.6212		1.6787

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	71.94	--	--
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	# There is change in Promoters and Promoter Group Shareholding during the financial year 2019-20.			
	At the end of the year	7368000	73.62	7368000	73.62

#CHANGE IN PROMOTER'S SHAREHOLDING

SR NO	Name	Shareholding		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/0/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	JAYESHBHAI CHHABILDAS SHAH	6239200	62.34	01-Apr-2019			6239200	62.34
			62.61	03-Jan-2020	27,000	Buy	6266200	62.61
			63.33	17-Jan-2020	72,000	Buy	6338200	63.33
			63.81	24-Jan-2020	48,000	Buy	6386200	63.81
			64.41	31-Jan-2020	60,000	Buy	6446200	64.41

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			63.45	14-Feb-2020	-96,000	Sell	6350200	63.45
			63.72	28-Feb-2020	27,000	Buy	6377200	63.72
			64.02	06-Mar-2020	30,000	Buy	6407200	64.02
		6407200	64.02	31-Mar-2020			6407200	64.02
2	SHAH JAYESH CHHABILDAS (HUF)	480400	4.80	01-Apr-2019	--	--	480400	4.80
		480400	4.80	31-Mar-2020	--	--	480400	4.80
3	DEEPABEN JAYESHBHAI SHAH	480000	4.80	01-Apr-2019	--	--	480000	4.80
		480000	4.80	31-Mar-2020	--	--	480000	4.80
4	HARSHIL JAYESHBHAI SHAH	100	0.00	01-Apr-2019	--	--	100	0.00
		100	0.00	31-Mar-2020	--	--	100	0.00
5	SAMIR CHAMPAKLAL DOSHI	100	0.00	01-Apr-2019	--	--	100	0.00
		100	0.00	31-Mar-2020	--	--	100	0.00
6	AMITBHAI JAMNADAS VAKHAJIYANI	100	0.00	01-Apr-2019	--	--	100	0.00
		100	0.00	31-Mar-2020	--	--	100	0.00
7	JATIN SHAHSIKANT MOVANI	100	0.00	01-Apr-2019	--	--	100	0.00
		100	0.00	31-Mar-2020	--	--	100	0.00

IV.) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SR NO	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	ARCADIA SHARE & STOCK BROKERS PVT LTD	1029000	10.28	01-Apr-2019	0		1029000	10.28
			10.31	12-Apr-2019	3000	Buy	1032000	10.31
			10.34	19-Apr-2019	3000	Buy	1035000	10.34
			10.28	26-Apr-2019	-6000	Sell	1029000	10.28
			10.01	03-May-2019	-27000	Sell	1002000	10.01
			9.98	10-May-2019	-3000	Sell	999000	9.98
			9.92	17-May-2019	-6000	Sell	993000	9.92

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			9.83	24-May-2019	-9000	Sell	984000	9.83
			9.80	31-May-2019	-3000	Sell	981000	9.80
			9.71	26-Jul-2019	-9000	Sell	972000	9.71
			9.68	30-Aug-2019	-3000	Sell	969000	9.68
			9.65	13-Sep-2019	-3000	Sell	966000	9.65
			9.17	04-Oct-2019	-48000	Sell	918000	9.17
			9.05	18-Oct-2019	-12000	Sell	906000	9.05
			8.93	25-Oct-2019	-12000	Sell	894000	8.93
			8.78	01-Nov-2019	-15000	Sell	879000	8.78
			8.48	29-Nov-2019	-30000	Sell	849000	8.48
			8.09	06-Dec-2019	-39000	Sell	810000	8.09
			7.64	13-Dec-2019	-45000	Sell	765000	7.64
			7.34	27-Dec-2019	-30000	Sell	735000	7.34
			7.16	31-Dec-2019	-18000	Sell	717000	7.16
			6.89	03-Jan-2020	-27000	Sell	690000	6.89
			6.30	10-Jan-2020	-60000	Sell	630000	6.30
			5.82	24-Jan-2020	-48000	Sell	582000	5.82
			4.62	31-Jan-2020	-120000	Sell	462000	4.62
			4.47	07-Feb-2020	-15000	Sell	447000	4.47
			4.17	21-Feb-2020	-30000	Sell	417000	4.17
			3.90	28-Feb-2020	-27000	Sell	390000	3.90
			3.60	06-Mar-2020	-30000	Sell	360000	3.60
			0.00	20-Mar-2020	-360000	Sell	0	0.00
			1.33	27-Mar-2020	133000	Buy	133000	1.33
		133000	1.33	31-Mar-2020	0		133000	1.33
2	GULSHAN KISHORECHAND BANSAL	261000	2.61	01-Apr-2019	0		261000	2.61
		261000	2.61	31-Mar-2020	0		261000	2.61
3	ICICI BANK LIMITED	0	0.00	01-Apr-2019		Sell	0	0.00
			3.60	20-Mar-2020	360000	Buy	360000	3.60
			2.27	27-Mar-2020	-133000	Sell	227000	2.27
		227000	2.27	31-Mar-2020	0		227000	2.27
4	LAGAN BARTER PRIVATE LIMITED	0	0.00	01-Apr-2019		Sell	0	0.00
			0.42	26-Apr-2019	42000	Buy	42000	0.42
			0.60	20-Sep-2019	18000	Buy	60000	0.60
			0.70	27-Sep-2019	9715	Buy	69715	0.70
			1.29	30-Sep-2019	59285	Buy	129000	1.29
			1.56	11-Oct-2019	27000	Buy	156000	1.56
			1.59	29-Nov-2019	3000	Buy	159000	1.59
			1.56	31-Dec-2019	-3000	Sell	156000	1.56
		156000	1.56	31-Mar-2020	0		156000	1.56
5	MANOJBHAI NAGINDAS SHETH	0	0.00	01-Apr-2019		Sell	0	0.00

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			0.06	10-May-2019	6000	Buy	6000	0.06
			0.21	27-Sep-2019	15000	Buy	21000	0.21
			0.39	06-Dec-2019	18000	Buy	39000	0.39
			0.63	13-Dec-2019	24000	Buy	63000	0.63
			1.08	20-Dec-2019	45000	Buy	108000	1.08
			1.38	03-Jan-2020	30000	Buy	138000	1.38
		138000	1.38	31-Mar-2020	0		138000	1.38
6	KISHORECHAND KAKARAM BANSAL	135000	1.35	01-Apr-2019	0		135000	1.35
		135000	1.35	31-Mar-2020	0		135000	1.35
7	BANSAL FINSTOCK PVT LTD	135000	1.35	01-Apr-2019	0		135000	1.35
			0.42	05-Apr-2019	-93000	Sell	42000	0.42
			0.06	26-Apr-2019	-36000	Sell	6000	0.06
			0.09	03-May-2019	3000	Buy	9000	0.09
			0.18	17-May-2019	9000	Buy	18000	0.18
			0.06	24-May-2019	-12000	Sell	6000	0.06
			0.09	31-May-2019	3000	Buy	9000	0.09
			0.12	07-Jun-2019	3000	Buy	12000	0.12
			0.15	21-Jun-2019	3000	Buy	15000	0.15
			0.18	28-Jun-2019	3000	Buy	18000	0.18
			0.15	12-Jul-2019	-3000	Sell	15000	0.15
			0.30	26-Jul-2019	15000	Buy	30000	0.30
			0.27	02-Aug-2019	-3000	Sell	27000	0.27
			0.33	09-Aug-2019	6000	Buy	33000	0.33
			0.30	23-Aug-2019	-3000	Sell	30000	0.30
			0.33	30-Aug-2019	3000	Buy	33000	0.33
			0.51	13-Sep-2019	18000	Buy	51000	0.51
			0.48	20-Sep-2019	-3000	Sell	48000	0.48
			0.59	27-Sep-2019	11285	Buy	59285	0.59
			0.27	30-Sep-2019	-32285	Sell	27000	0.27
			0.42	04-Oct-2019	15000	Buy	42000	0.42
			0.00	11-Oct-2019	-42000	Sell	0	0.00
			0.00	31-Mar-2020	0		0	0.00
8	SKSE SECURITIES LTD- CLIENT COLLATERAL ACCOUNT	0	0.00	01-Apr-2019		Sell	0	0.00
			0.03	13-Sep-2019	3000	Buy	3000	0.03
			0.00	30-Sep-2019	-3000	Sell	0	0.00
			0.18	29-Nov-2019	18000	Buy	18000	0.18
			0.39	06-Dec-2019	21000	Buy	39000	0.39
			0.45	13-Dec-2019	6000	Buy	45000	0.45
			0.00	20-Dec-2019	-45000	Sell	0	0.00
			0.30	27-Dec-2019	30000	Buy	30000	0.30
			0.51	31-Dec-2019	21000	Buy	51000	0.51
			0.00	03-Jan-2020	-51000	Sell	0	0.00

				red to total shares			ered to total shares	
1	Jayeshbhai Chhabildas Shah	6239200	62.3421	--	6407200	64.0208	--	1.67
2	Deepaben Jayeshbhai Shah	480000	4.7962	--	480000	4.7962	--	--
3	Amitbhai Jamnadas Vaghajiyani	100	0.0010	--	100	0.0010	--	--
4	Harshil Jayeshbhai Shah*	100	0.0010	--	100	0.0010	--	--

**Appointed as additional Non-executive Director w.e.f. 30.06.2020*

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	136,920,167	3,000,000	-	139,920,167
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	136,920,167	3,000,000	-	139,920,167
Change in Indebtedness during the financial year				
Addition	99,336,249	-	-	99,336,249
Reduction	-	100,000	-	100,000
Net Change	99,336,249	100,000	-	99,236,249
Indebtedness at the end of the financial year				
i) Principal Amount	236,256,416	2,900,000	-	239,156,416
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	236,256,416	2,900,000	-	239,156,416

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER (Amount inRs.)

NAME				
Sl. No.	Particulars of Remuneration	Jayeshbhai Chhabildas Shah	Deepaben Jayeshbhai Shah	Total Amount
		Managing Director	Whole Time Director	
1	Gross salary	84,00,000	60,00,000	1,44,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	60,00,000	1,44,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	---	---	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
2	Stock Option	---	---	--
3	Sweat Equity	---	---	---
4	Commission	---	---	--
	- As % of Profit	---	---	---
	- others, specify	---	---	--
5	Others, Contribution to Provident Fund	---	---	---
	Total (A)	84,00,000	60,00,000	1,44,00,000
	Overall Ceiling as Per the Act	The Managerial remuneration is within the ceiling limits as per the Act		

SI. NO.	PARTICULARS OF REMUNERATION	FEE FOR ATTENDING BOARD / COMMITTEE MEETINGS	COMMIS SION	OTHERS, PLEASE SPECIFY (Remuneration)	TOTAL AMOUNT
1	Independent Directors				
1	Shreyansh Vijaybhai Vora	15000	Nil	Nil	15000
2	Jigar Dipakbhai Mehta	15000	Nil	Nil	15000
	Total (1)	30000	Nil	Nil	30000
2	Other Non-Executive Directors				
1	Rutvi Jayeshbhai Shah	Nil	Nil	6,00,000	6,00,000
	Total (2)	Nil	Nil	6,00,000	6,00,000

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	Total (B)=(1+2)	30000	Nil	6,00,000	6,30,000
	Total Managerial Remuneration	30000	Nil	6,00,000	6,30,000
	Overall Ceiling as Per the Act	The sitting fees and remuneration paid to other directors are within the maximum prescribed limits			

B. REMUNERATION TO OTHER DIRECTORS: (Amount in Rs.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		
		CFO	Company Secretary	Company Secretary
		Amitbhai Jamnadas Vaghajiyani	Minaxi Taldiya*	Milankumar Sureshbhai Ganatra *
1	Gross salary	6,00,000	1,80,000	40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	1,80,000	40,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	---	---	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		---	---
2	Stock Option	---	---	--
3	Sweat Equity	---	---	---
4	Commission	---	---	--
	- As % of Profit	---	---	---
	- others, specify	---	---	--
5	Others, Contribution to Provident Fund	---	---	---
	Total (A)	6,00,000	1,80,000	40,000

*Ms. Minaxi Taldiya resigned as Company Secretary and Compliance officer with effect from 31st January, 2020 and Mr. Milankumar Sureshbhai Ganatra appointed as Company Secretary and Compliance officer with effect from 1st February, 2020.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					

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Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board,
SONAM CLOCK LIMITED

Registered Office:

Survey No. 337/p, Morbi
Rajkot Highway, Lajai, Tal.
Tankara, Dist. Morbi -363641
Date: 16.07.2020
Place: Lajai

Sd/
Jayeshbhai C. Shah
Chairman & Managing
Director
DIN:00500814

Sd/
Deepaben J. Shah
Whole time Director
DIN:01981533

**ANNEXURE –IV
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

**[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 a reasonable basis 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, 2020 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, 2020, according to the provisions of:

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

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

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

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

(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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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.

6. 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.

7. 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: 16.07.2020
UDIN:F006807B000464165

For, R. V. Gandhi & Co.

Sd/-
Rashmikant V. Gandhi
Practicing 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.'

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.

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.

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.

We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

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.

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: 16.07.2020
UDIN:F006807B000464165

For, R. V. Gandhi & Co.

Sd/
Rashmikant V. Gandhi
Company Secretary

ANEXURE-V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Company Overview:** Sonam Clock is one of the largest and leading clocks manufacturing Company in India. Company is well equipped with the world class technology and state-of-the-arts equipment which is 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.

- **Industry structure and development:** When looking at the modern-day clock and trying to understand the way we value time, it is important to examine the root of our modern timepieces. From the olden days, royal maharajas using the pocket watches to the current next-gen using smart watches and techno wearable devices, some Indian brands are attempting to take over international look & feel while retaining the age-old charm. Let's look at who is keeping time in the country.

Time and tide wait for none, goes the proverb. The adage fits well for the wall clock manufacturing industry. In an era dominated by fancy gadgets such as mobile phones and computing devices that also tell time, clock makers have turned to offer customized designer products amidst dwindling sales.

With an abundance of time-telling devices available, wall clocks have been able to retain their popularity by maintaining the utility value and basic efficiency. Traditional wall clock manufacturers have been forced to tweak the products and offer the same as the designer and attractive pieces with aesthetic value in homes, offices and other premises. The move says industry sources, is also a result of a shift in consumer preferences for such products. Modified products in the form of wooden and metal-built designer wall clocks, at times encrusted with gems and jewellery, are in demand from customers. Customers consider such kind of wall clocks as adornments or décor pieces for their homes and offices and not just time telling machines.

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Demand for usual design wall clocks has fallen significantly by 65 per cent in the last couple of years. In order to maintain the clock business, all major players are now focusing on designer clocks even as demand for decorative wall clocks has gradually improved worldwide. The consumer perception of designer clocks is that people prefer to buy expensive looking clocks but at affordable prices. So, companies must design such decorative pieces consequently. When you look at your treasured timepiece – or perhaps its price tag – it's easy to recognize that it must have taken quite a bit of effort to produce. Below is the process which makes your timepieces more valuable and precious.

- **Concept and Design:** Before a company can start producing a watch, they need to come up with an idea; a concept that can be transformed into an actual design. Today, most watch manufacturers' use advanced CAD (Computer Aided Design) systems to design watches and all their components. A couple of brands use 3D printing techniques to look at patterns based on these computer designs. Others use real stainless steel for prototypes, sometimes with dummy movements or just basic calibers that fit. Do not underrate the role of research and development at this stage either. In some companies, it is all under one roof to make sure that a watch or movement design is achievable. Everything must perfectly correspond together, especially since the room for error in watch manufacturing is tiny.
- **Production:** Once a company is certain about how a watch should look and which designs it should have, the production can begin. The production process consists of several parallel processes. The case making department or third party, for example, does not have to wait until the movement is finished or the dial receives its final color or finish.
- **Movements:** A good manufacturer start their journey with raw pieces of brass, stainless steel, and other alloys used for the movement. CNC (Computerized Numerical Control) machines do the initial cutting, drilling, and milling of all the parts. Once this is finished, the parts pass through a chain of small steps, to either (hand-) finish certain parts or to add gears and trains until there is a working movement. Step-by-step, the movement gets finished and assembled by watchmakers. When the movement is finished and ready to be the case, it is often checked for accuracy.
- **Dial and Hands:** The dial and hands, or face of the watch, are very essential. This is what you will look at many times each day. These features need to be magnificent and flawless. Beauty is in the eye of the beholder, but perfectionism puts little room for understanding. Like (hand-) finishing movements, finishing is important for the dial and hands of a watch.
- **Assembly:** Before the movement is cased and the dials and hands are added to it, a lot of visual checks take place. Sometimes, pieces must go all the way back to the

production process to be fixed. Hands are sometimes automatically applied to the dial, but in many cases, this is still done by hand. More visual checks take place to see whether the hands are perfectly aligned. The crown is of course also added and tested to see if all the hands move correctly and whether the winding system works. Once the movement is cased, the dial is added, and everything is fully functional. When this is complete and a watch has passed all tests, it goes into the final stage of the assembly and production process. Some watches (case backs) are (laser) engraved in this stage, while other manufacturers do this a bit earlier during case production. If so, the strap or bracelet is added, and the watch is ready.

If we go by the olden times, earlier the watches were only needed to track time, but with the growing demand, today consumers want more than just a normal watch. Technology is playing a bigger role in the watch industry. Traditionally, the smart watches were a fad with fitness enthusiasts and athletes who focused on keeping a track of their health and workouts. Gradually, the acceptance among the Indian audience has stepped up with a category of consumers who demand more than just functionality. Catering to this category means infusing a sense of desirability into the products. The aim is to offer a product that is complete and makes a strong statement when worn. Acceptability of these can be further pushed with advancements in product features. The consumer demands the usability of a fitness tracker to go beyond his gym or yoga class. The need of the hour is to offer appealing timepieces that become an ingrained piece of one's lifestyle.

- **To promote the brand development strategy:** Further enhance the degree of attention to independent wall clock brand we are building, brand development strategy. One is to strengthen brand awareness, the formation of internal personnel and all processes, promote all-round good atmosphere brand building, and implemented in capital investment, human resources and so on. The second is the development of independent brand development strategy, according to their own characteristics and operational objectives, a clear market positioning, choice of personalized, differentiated brand development model. The third is to enhance brand management capabilities, encourage enterprises to establish brand management, the establishment of practical brand management mechanism, the implementation of brand management, foster cultural brand, and brand value. Fourth, explore the establishment of the whole process of intellectual property management system, scientific layout and effective use of intellectual property. Fifth, improve the brand evaluation method, the establishment of the wall clock brand value measurement index system, to enhance the brand value and provide guidance support. Sixth, actively carry out the work of brand promotion, integrated use of various types of brand communication channels publications, networks, mobile terminals, effectively increasing the wall clock brand.
- **opportunities** :The government is introducing several reforms to create possibilities for getting Foreign Direct Investment (FDI) and foster business partnerships, in this

regards our company trying to focus on "MAKE IN INDIA" for all type of Raw material and other material used for wall clock and time piece. Moreover our centre of attention is to increase the export of all type of clock and clock parts. In present time Sonam Clock Limited has covered 70% of market in sale of Movements in domestic and foreign market. By this way our company is generating employment and using internal resource via purchasing power.

- **Segment-wise or product-wise performance:** 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. there is no separate segment or product.
- **Outlook:** Within this dynamic environment, we are providing various different products with different and attractive features, being different in market one should add uniqueness in product to survive in market.
- **Risk and concern:** Traditionally, there has seen bulk production of emulsion-based wall clock industry, while customized products tend to be in small quantity. Most of the clock manufacturers being small and medium, bulk production of customized metal and wood based products were not viable. However, recent changes in trend in wall clocks has led to some of the players attempt bulk offering of high-valued designer clocks to corporate it will be change from time to time.

"People prefer to buy designer clocks that look expensive at affordable prices. So we have to design such decorative pieces accordingly. Sales of designer clocks have grown gradually in the last three years but there are Number of manufacturers has decreased even as the business becomes unviable for smaller players and design may become outmoded within small time span"

- **Internal control systems and their adequacy:** The Company implemented suitable controls to ensure its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.

- **Discussion on financial performance with respect to operational performance:**

On a standalone basis, the revenue from operations for FY 2019- 2020 was Rs.5996.24 Lakhs over the previous year's revenue from operations of Rs. 6484.95 Lakhs.

Net Profit after for FY 2019- 2020 was Rs. 285.22 Lakh over the previous year's Net Profit after Rs. 370.46 Lakhs.

Other Expenses reduces for FY 2019- 2020 was Rs. 591.35 Lakh over the previous year's Other Expenses Rs. 879.33 Lakhs.

Earnings per Share for FY 2019- 2020 was Rs. 2.85 over the previous year's Earnings per Share Rs. 3.92

The Company definitely provide better results to the shareholders in upcoming year via better performance.

- **Material developments in Human Resources / Industrial Relations front, including number of people employed:** Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals. Our company has employed more than 700 women in the department working since long time. Company provides various facilities to all the employees of company.
- **Disclosure of Accounting Treatment:** The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standard: our company has followed all required accounting standards also disclosed significant accounting policy. Financial statements include balance sheet, profit and loss, cash flow statement with schedules/Notes.
- **Cautionary Statement:** The statements in the "Management Discussion and Analysis Report" section describes the company objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

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For and on behalf of the Board,
SONAM CLOCK LIMITED

Registered Office:
Survey No. 337/p, Morbi
Rajkot Highway, Lajai, Tal.
Tankara, Dist. Morbi -
363641
Date: 16.07.2020
Place: Lajai

Sd/
Jayeshbhai C. Shah
Chairman & Managing
Director
DIN:00500814

Sd/
Deepaben J. Sh
Whole time Dire
DIN:0198153

ANNEXURE-VI FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

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 transaction under third proviso thereto.

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

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

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

Name of Related Party	Nature of relationship	Nature of Contract / agreement / transactions	Duration of contracts / agreements / transactions	Salient terms of contracts or agreements, or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Rutvi Enterprise	Entities Significantly influenced by Director	Purchase of goods	-----	-----	05.04.2019	-----
Sonam Tradelink LLP	Entities Significantly influenced by Director	Sales of goods	-----	-----	05.04.2019	-----
Sonam Tradelink LLP	Entities Significantly influenced by relative of Director	Purchase of goods	-----	-----	05.04.2019	-----
Sonam Tradelink LLP	Entities Significantly influenced	Commission Expense	-----	-----	05.04.2019	-----

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	by relative of Director					
Jayeshbhai Shah	Managing Director	Rent Paid	-----	-----	05.04.2019	-----
Deepaben Shah	Whole time Director	Rent Paid	-----	-----	05.04.2019	-----
Rutvi Enterprise	Entities Significantly influenced by Director	Purchase of Dies	-----	-----	29.10.2019	-----

Appropriate approvals have been taken for related party transactions. If required.

Registered Office:
 Survey No. 337/p, Morbi
 Rajkot Highway, Lajai, Tal.
 Tankara, Dist. Morbi -363641
 Date: 16.07.2020
 Place: Lajai

For and on behalf of the Board,
 SONAM CLOCK LIMITED

Sd/
 Jayeshbhai C. Shah
 Chairman & Managing
 Director
 DIN:00500814

Sd/
 Deepaben J. Shah
 Whole time Director
 DIN:01981533

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. **A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs:**

Corporate Social Responsibility (CSR) is a large part of our overall sustainability policy encompassing social, economic and environmental actions. The policy is also aimed at demonstrating care for the community through its focus on education, healthcare, community development projects/programs etc. and supplementing the efforts of the local institutions/NGOs in the aforesaid fields to meet priority needs of the marginalized and underserved communities with the aim to help them to become self-reliant. These efforts are to be undertaken preferably in the local area and areas around our work centres/ project sites or other area/s if public needs so demands.

The Company approaches Corporate Social Responsibility (CSR) strategically – in order to ensure a sustainable future for people and planet. By focusing our talent, technology, and capital on social welfare, health care issues and educational concerns, we strive to enact positive social change in the society.

The CSR activities undertaken can be briefly summarized as follows:

- Promoting Health Care including Preventive Healthcare, Medical & Sanitation Facilities
- Promoting Education
- Eradicating hunger, poverty & malnutrition
- Promoting Environmental Sustainability
- Social and Women Empowerment
- Various other social matters

The projects/programmes/activities undertaken/to be undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

2. **The Composition of CSR Committee:**

Name	Designation
Mr.Shreyansh Vijaybhai Vora	Independent Director
Mr. Jigar Dipakbhai Mehta	Independent Director
Ms. Rutvi Jayeshbhai Shah	Non-executive Director

3. **Average net profits of the Company for the last three financial years:**

Rs. 3,53,91,390

(Amount in Rs.)

Particulars	For the Financial Year		
	2018-19	2017-18	2016-17
Net Profit calculate u/s 198 for preceding three Financial Years	53198819	40112373	12862979

4. Prescribed CSR Expenditure (2% of average net profit) :
Rs. 7,07,828

5. Details of CSR spent during the Financial Year:

(a)	Total amount spent for the financial year i.e. 2019-20	----
(b)	Amount unspent, if any	Rs. 7,07,828
(c)	Manner in which the amount spent during the financial year	----

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where the project or Programs were undertaken	Amount outlay (budget) project or programs wise (INR)	Amount spent on the projects or programs subhead (1) Direct Expenditure on projects or programs (2) Overhead (INR)	Cumulative expenditure upto the reporting period (INR)	Amount spent: Direct or through implementing agency
1	Contribution for Education & Medical aid	Education, Healthcare	Morbi, Gujarat	Rs. 7,07,828	0	0	Shree Ansuyaben Chhabildas Shah Charitable Trust, Morbi, Trust Reg. No. E/9696/Rajkot

6. Reasons for not spending amount allocated for CSR activities: The Company strongly follows policy for CSR project to undertake preferably local area or area around the work place when public need so demand. The Company had identified project/activity and also allocated the budget toward the CSR of Rs. 7,07,828 by way of CSR provisions in the financial statement which is excess of responsibility as mentioned in point 5(a) above but it was unspent as on year end. However, the company has spent entire allocated budget after the closure of the financial year.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

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

For and on behalf of the Board,
SONAM CLOCK LIMITED

Date: 16.07.2020
Place: Lajai

Sd/
Jayeshbhai C. Shah
Chairman & Managing
Director
DIN:00500814

Sd/
Deepaben J. Shah
Whole time Director
DIN:01981533

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ANNEXURE-VIII

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 2019-20.

Remuneration of Whole-Time Directors & Managing Director:

Sr. No.	Name of Director	Remuneration (Rs. In Lacs)	Ratio of remuneration to Median Remuneration of the employees	% increase in Remuneration in year ended 31 March 2020
1.	Jayeshbhai C. Shah, Chairman & Managing Director	84.00	28:1	NA
2.	Deepaben J. Shah, Whole-Time Director	60.00	20:1	NA

A. Remuneration of Non-Executive Directors:

Sr. No.	Name of Director	Designation	Ratio to MRE of the employees
3.	Rutvi Jayeshbhai Shah*	Non-Executive Director	2:1

Ms. Rutvi J. Shah resigned as Non-Executive Directors with effect from 30th June, 2020.

Note: The remuneration of Independent Directors comprises of only sitting fees paid to them for attending the meetings of the Board and other committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

B. Remuneration to Key Managerial Personnel:

Sr. No.	Name of Director	Designation	% increase in Remuneration in year ended 31 March 2020
4.	Mr. Amit J. Vaghjiyani	CFO	NA
5.	Mr. Milankumar Sureshbhai Ganatra	Company Secretary & Compliance Officer	NA

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: NA

3. The percentage increase in the median remuneration of employees in the financial year 2019- 20 (approx.)- NA

4. The number of permanent employees on the rolls of Company in the financial year 2019-20: 388 Employees

5. Average percentile increase made in the salaries of employees other than the managerial remuneration in the last financial year was 10%. The increase is based on economic factors mainly on account of Inflation, Performance Rise, availability of the required talent, status of the relevant industry etc. - NA

6. Affirmation that the remuneration is as per the remuneration policy of the Company
-We affirm that the remuneration paid is as per the remuneration policy of the Company.

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

For and on behalf of the Board,
SONAM CLOCK LIMITED

Date: 16.07.2020

Place: Lajai

Sd/
Jayeshbhai C. Shah
Chairman & Managing
Director
DIN:00500814

Sd/
Deepaben J. Shah
Whole time Director
DIN:01981533

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, 2020, 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, 2020;
- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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

UDIN: **20102114AAAAD7703**

Date: 30th June, 2020

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, 2020 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, 2020, 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
UDIN: **20102114AAAAD7703**

Date: 30th June, 2020
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, 2020 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.

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

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.

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

In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer during the year.

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
UDIN: **20102114AAAADE7703**

Date: 30th June, 2020
Place: Morbi

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

BALANCE SHEET AS AT 31st MARCH 2020

(Amount in Rs.)

Particulars	Note No.	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds			
(a) Share Capital	1	1000,80,000	1000,80,000
(b) Reserves and Surplus	2	1781,42,436	1496,20,852
		2782,22,436	2497,00,852
2. Non-current Liabilities			
(a) Long-term borrowings	3	829,72,096	80,61,631
(b) Deferred tax liabilities (Net)		103,06,882	108,97,010
(c) Other Long term liabilities	4	-	20,00,000
(d) Long term Provisions	5	23,54,744	15,55,181
		956,33,722	225,13,822
3. Current Liabilities			
(a) Short-Term Borrowings	6	1446,51,370	1157,45,420
(b) Trade Payables	7		
- Dues to Micro & Small Enterprises		-	-
- Dues to Other Than Micro & Small Enterprises		612,41,874	532,77,215
(c) Other Current liabilities	8	160,95,810	194,93,053
(d) Short-term Provisions	9	164,47,433	251,83,062
		2384,36,487	2136,98,751
TOTAL		6122,92,646	4859,13,425
II. ASSETS :			
1. Non-current Assets			
(a) Property, Plant and equipment	10		
Tangible Assets		1477,05,400	1501,80,758
Capital Work in Progress		1286,60,076	137,66,330
(b) Long term loans and advances	11	21,89,520	24,22,735
		2785,54,997	1663,69,823
2. Current Assets			
(a) Inventories	12	1787,76,613	1867,89,367
(b) Trade Receivables	13	1048,10,573	927,79,257
(c) Cash and Cash Equivalents	14	17,53,042	7,87,721
(d) Short-term Loans and Advances	15	446,27,826	353,85,505
(e) Other Current Assets	16	37,69,596	38,01,752
		3337,37,650	3195,43,602
TOTAL		6122,92,646	4859,13,425
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		For SONAM CLOCK LTD.	
Chartered Accountants Firm No. - 118564W			
Sd/- CA. Shilpang V. Karia Partner M. No. - 102114 UDIN: 20102114AAAADE7703	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/- Milankumar Ganatra Company Secretary	
Place : Morbi Date : 30 th June, 2020	Place : Morbi Date : 30 th June, 2020		

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

(Amount in Rs.)

Particulars	Note No.	For The Year 31st March 2020 Rs.	For The Year 31st March 2019 Rs.
I. Revenue from Operation	17	5996,24,549	6484,95,784
II. Other Income	18	40,52,195	52,35,419
III. Total Revenue (I + II)		6036,76,744	6537,31,202
IV. Expenses:			
Cost of Materials and Components Consumed	19	4228,49,463	4463,13,548
Changes in Inventories of Finished Goods, Work-in process and Stock-in-trade	20	(95,85,124)	(269,69,192)
Employee Benefits Expenses	21	619,39,108	671,29,704
Finance Costs	22	171,57,835	155,03,503
Depreciation and Amortization Expenses	10	120,06,721	118,03,686
Other Expenses	23	591,43,360	879,33,541
Total Expenses		5635,11,364	6017,14,791
V Profit Before extra ordinary items and Tax		401,65,380	520,16,412
Add (Less) : Prior Period Items		-	-
VI Profit Before Tax		401,65,380	520,16,412
VII Tax Expenses:			
(1) Current Tax		102,08,782	142,51,259
(2) Deferred Tax		(5,90,128)	5,81,392
(3) Prior Year Tax		20,25,142	1,37,679
Tax For The Year		116,43,796	149,70,330
VIII Net Profit(Loss) for the period from Continuing Operations (VI - VII)		285,21,584	370,46,082
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)		285,21,584	370,46,082
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		2.85	3.92
Earning Per Share Before Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of total profit for the year		2.85	3.92
Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of profit from continuing operations		2.85	3.92
Earning Per Share After Exceptional & Extra-Ordinary Items (Basic & Dilluted) computed on the basis of total profit for the year		2.85	3.92
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 UDIN: 20102114AAAADE7703		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/- Milankumar Ganatra Company Secretary
Place : Morbi Date : 30th June, 2020		Place : Morbi Date : 30th June, 2020	

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

	PARTICULARS	For the Year 31st March 2020 Rs.	For the Year 31st March 2019 Rs.
A	Cash Flow from Operating Activity		
	Profit before Tax	401,65,380	520,16,412
	<u>Add: Non Cash and Operating Expenses</u>		
	Depreciation & Amortization Expenses (Net)	120,06,721	118,03,686
	Interest Received / Other Non Operative Receipts	(17,447)	(1,91,925)
	Finance Cost	171,57,835	155,03,503
	Operating profit before working capital changes	693,12,490	791,31,676
	Adjustment for:		
	(Increase) / Decrease in Inventory	80,12,754	(601,98,049)
	(Increase) / Decrease in Trade Receivables	(120,31,316)	(170,94,930)
	(Increase) / Decrease in Loans and Advances	(120,50,722)	(98,58,539)
	Increase / (Decrease) in Current & Non Current Liabilities and Provisions	(13,26,173)	(174,07,461)
	(Increase) / Decrease in Other Current Assets	32,156	(2,12,789)
	IPO Proceeds by way of Issue of Equity Share Capital	-	810,88,000
	<i>(For Working Capital & General Corporate Operational Activities)</i>		
	Cash Generated from Operation	519,49,188	554,47,908
	Taxes Paid	(132,34,784)	(146,01,031)
	Net Cash Flow from Operating Activity before Extra-Ordinary Items	387,14,404	408,46,877
B	Cash Flow from Investing Activity		
	(Increase) / Decrease in Fixed Assets (net)	(1244,25,109)	(347,39,714)
	Interest Received / Other Non Operative Receipts	17,447	1,91,925
	Net Cash Flow from Investing Activities	(1244,07,662)	(345,47,789)
C	Cash Flow from Financing Activity		
	Increase / (Decrease) in Long Term & Short Term Borrowings	1038,16,415	(61,00,084)
	Interest Expenses	(171,57,835)	(155,03,503)
	IPO Proceeds by way of issue of Equity Share Capital	-	200,00,000
	<i>(For Repayment of Unsecured Borrowings)</i>		
	Interim Dividend and Dividend Distribution Tax	-	(60,32,587)
	Net Cash Flow from Financing Activities	866,58,579	(76,36,174)
	Net Increase / (Decrease) in Cash and Cash Equivalents	9,65,320	(13,37,086)
	Opening Balance of Cash and Cash Equivalents	7,87,721	21,24,807
	Closing Balance of Cash and Cash Equivalents	17,53,042	7,87,721
	Components of Cash and Cash Equivalents	Period ended 31st March 2020 Rs.	Year ended 31st March 2019 Rs.
	Cash on hand & Equivalents		
	- Cash on hand	16,11,349	3,33,836
	Balances with Scheduled Banks		
	- In Deposit Accounts	-	3,72,611
	- In Current Accounts	1,41,693	81,274
		17,53,042	7,87,721

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

Sd/-

CA. Shilpang V. Karia

Partner

M. No. - 102114

UDIN: 20102114AAAADE7703

For and on behalf of the Board

For SONAM CLOCK LTD.

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/-

Milankumar Ganatra

Company Secretary

Place: Morbi

Date : 30th June, 2020

Place: Morbi

Date : 30th June, 2020

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

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31st MARCH, 2020

(Amount in Rs.)

Particulars	As At		As At	
	31-March-20 Number	31-March-20 Amt. (Rs.)	31-March-19 Number	31-March-19 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	100,08,000	1000,80,000
Total	100,08,000	1000,80,000	100,08,000	1000,80,000

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

Particulars	31-March-20		31-March-19	
	Number	Amt. (Rs.)	Number	Amt. (Rs.)
Equity Shares :				
Shares outstanding at the beginning of the year	100,08,000	1000,80,000	72,00,000	720,00,000
Shares issued during the period	-	-	28,08,000	280,80,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	100,08,000	1000,80,000	100,08,000	1000,80,000

The Company is listed on NSE Emerge on 14th June, 2018. During the year 18-19, 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.

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-20		31-March-19	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Jayesh Chhablidias Shah	64,07,200	64.02%	62,39,200	62.34%
2	Deepaben Jayeshbhai Shah	4,80,000	4.80%	4,80,000	4.80%
3	Jayesh Chhablidias Shah (Huf)	4,80,400	4.80%	4,80,400	4.80%
4	Arcadia Share & Stock Brokers Pvt Ltd	1,33,000	1.33%	10,29,000	10.28%
5	Public Shareholding	25,07,400	25.05%	17,79,400	17.78%

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

Particulars	Year (Aggregate No. of Shares)				
	2019-20	2018-19	2017-18	2016-17	2015-16
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	Nil	18,00,000	Nil	36,00,000
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	2019-20	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, 2020

(Amount in Rs.)

Particulars	As At 31-March-20 Rs.	As At 31-March-19 Rs.
NOTE - 2 : RESERVES AND SURPLUS :		
A Securities Premium		
Balance As Per Last Financial Statements	730,08,000	-
Add : Addition during the year	-	730,08,000
Less : Deduction during the year	-	-
Closing Balance	730,08,000	730,08,000
Sub Total	730,08,000	730,08,000
B Profit & Loss Account (Surplus)		
Balance As Per Last Financial Statements	766,12,852	516,31,944
Add : Current Year Profits / (Loss)	285,21,584	370,46,082
Less : Dividend (including tax) during the year	-	(120,65,174)
Closing Balance	1051,34,436	766,12,852
Sub Total	1051,34,436	766,12,852
TOTAL NOTE 2	1781,42,436	1496,20,852
NOTE - 3 : LONG TERM BORROWINGS :		
[Refer Note 25(2)]		
Secured		
Term Loans		
From Banks	792,49,839	49,50,075
From Banks - Vehicle Loans	37,22,257	31,11,556
TOTAL NOTE 3	829,72,096	80,61,631
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)	23,54,744	15,55,181
TOTAL NOTE 5	23,54,744	15,55,181

SONAM CLOCK LIMITED
(Previously known as "SONAM CLOCK PVT. LTD.")
NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31st MARCH, 2020

(Amount in Rs.)

Particulars	As At 31-March-20 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	1417,51,370	1127,45,420
Unsecured		
From Director	29,00,000	30,00,000
TOTAL NOTE 6	1446,51,370	1157,45,420
NOTE - 7 : TRADE PAYABLES : [Refer Note 25(12 & 14)]		
(a) Dues to Micro & Small Enterprises	-	-
(b) Dues to Other Than Micro & Small Enterprises	612,41,874	532,77,215
TOTAL NOTE 7	612,41,874	532,77,215
NOTE - 8 : OTHER CURRENT LIABILITIES :		
(a) Current Maturities of Long Term Debts	115,32,950	161,13,116
(b) Statutory Liabilities	8,22,938	7,14,121
(c) Advances Received from Customers	35,16,654	26,59,817
(d) Payables for unclaimed Dividend	27,050	6,000
(e) Other Current Liabilities	1,96,218	-
TOTAL NOTE 8	160,95,810	194,93,053
NOTE - 9 : SHORT TERM PROVISIONS :		
a. Provision for employee benefits		
Salary & Reimbursements	47,37,521	42,13,191
Contribution to PF	5,48,246	3,86,276
Gratuity Provision (Short Term)	1,32,556	1,87,249
TOTAL (a)	54,18,323	47,86,716
b. Others		
Provision for Current Income-tax	102,08,782	142,51,259
Provision for Unpaid Expenses	1,12,500	1,12,500
Provision for CSR Expenses	7,07,828	-
Provision for Proposed Dividend and Dividend Tax	-	60,32,587
TOTAL (b)	110,29,110	203,96,346
TOTAL NOTE 9 (a+b)	164,47,433	251,83,062

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

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2020

NOTE - 10 : PROPERTY, PLANT & EQUIPMENT

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION BLOCK				NET BLOCK	
	As on 01-04-2019	Additions during the year	Deductions during the year	As on 31-03-2020	As on 01-04-2019	Depreciation for the year	Deductions	As on 31-03-2020	As on 31-03-2020	As on 01-04-2019
a. Tangible Assets										
Factory Land	24,56,860	-	-	24,56,860	-	-	-	-	24,56,860	24,56,860
Factory Buildings & Rajkot Office Plant & Machinery	933,52,751	-	-	933,52,751	213,66,347	29,49,940	-	243,16,287	690,36,464	719,86,404
Machinery	639,29,396	10,99,250	-	650,28,646	233,68,837	40,36,927	-	274,05,765	376,22,882	405,60,559
Handling Equipments	22,07,899	2,95,000	-	25,02,899	3,67,674	1,41,927	-	5,09,601	19,93,298	18,40,225
DG Set	14,10,870	-	-	14,10,870	7,78,799	1,02,147	-	8,80,946	5,29,924	6,32,071
Dies & Moulds	227,59,110	39,55,863	-	267,14,973	58,58,826	15,55,580	-	74,14,406	193,00,567	169,00,284
Water Tanker	2,67,500	-	-	2,67,500	78,826	17,555	-	96,381	1,71,119	1,88,674
Electric Installations	25,64,530	-	-	25,64,530	23,35,536	46,021	-	23,81,557	1,82,973	2,28,994
Cooling Tower	2,65,650	-	-	2,65,650	1,16,889	17,626	-	1,34,515	1,31,135	1,48,761
Vehicles										
Motor Buses	140,13,398	-	-	140,13,398	81,31,222	11,70,116	-	93,01,338	47,12,060	58,82,176
Motor Cars	52,69,837	36,80,568	-	89,50,405	14,59,352	7,46,720	-	22,06,072	67,44,333	38,10,485
Motor Cycles	2,80,346	-	-	2,80,346	2,03,803	24,060	-	2,27,863	52,483	76,543
Furniture & Fixtures										
Office Equipments	32,04,033	2,55,394	-	34,59,427	24,22,694	3,51,770	-	27,74,464	6,84,963	7,81,339
Photocopy Equipments	1,15,500	-	-	1,15,500	27,356	21,945	-	49,301	66,199	88,144
Furniture & Fixtures	78,91,078	99,868	-	79,90,946	36,93,838	6,52,305	-	43,46,143	36,44,803	41,97,240
EPABX System	2,27,150	-	-	2,27,150	2,27,149	-	-	2,27,149	1	1
Mobiles	4,21,440	1,15,920	-	5,37,360	1,57,618	98,660	-	2,56,278	2,81,082	2,63,822
Computers & Softwares	8,99,671	29,500	-	9,29,171	7,61,494	73,422	-	8,34,916	94,255	1,38,177
	2215,37,019	95,31,363	-	2310,68,382	713,56,261	120,06,721	-	833,62,982	1477,05,400	1501,80,758
b. Intangible Assets	-	-	-	-	-	-	-	-	-	-
c. Capital Work In Progress										
Factory Building under Construction	137,66,330	1125,80,116	-	1263,46,446	-	-	-	-	1263,46,446	137,66,330
Solar Power Project	-	23,13,630	-	23,13,630	-	-	-	-	23,13,630	-
Total Capital Work in Progress	137,66,330	1148,93,746	-	1286,60,076	-	-	-	-	1286,60,076	137,66,330
GRAND TOTAL	2353,03,349	1244,25,109	-	3597,28,459	713,56,261	120,06,721	-	833,62,982	2763,65,477	1639,47,088
PREVIOUS YEAR TOTAL	2022,37,575	362,93,121	32,27,347	2353,03,349	612,26,515	118,03,686	16,73,940	713,56,261	1639,47,088	1410,11,061

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

NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31st MARCH, 2020

(Amount in Rs.)

Particulars	As At 31-March-20 Rs.	As At 31-March-19 Rs.
NOTE - 11 : LONG TERM LOANS & ADVANCES:		
Security Deposits	21,89,520	24,22,735
TOTAL NOTE 11	21,89,520	24,22,735
NOTE - 12 : INVENTORIES:		
<i>(As taken ,valued and certified by the management)</i>		
Raw Materials	1130,70,121	1306,67,999
Finished Goods	396,78,492	462,49,310
Semi-Finished Goods	260,28,000	98,72,058
TOTAL NOTE 12	1787,76,613	1867,89,367
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.	93,32,415	42,94,480
- Outstanding or a period less than six months from the date they are due for payment.	954,78,159	884,84,777
TOTAL NOTE 13	1048,10,573	927,79,257
NOTE - 14 : CASH AND CASH EQUIVALENTS :		
a. Cash on Hand	16,11,349	3,33,836
b. Balances with banks		
In Deposit Accounts	-	3,72,611
In Current Accounts	1,15,585	75,274
Dividend Unpaid Accounts	26,108	6,000
TOTAL NOTE 14	17,53,042	7,87,721
NOTE - 15 : SHORT TERM LOANS AND ADVANCES:		
<i>(Unsecured and considered good as certified by the management)</i>		
a. Prepaid Expenses	22,69,208	21,76,422
b. Balances With Government Authorities	202,57,073	264,67,126
c. Advances to Suppliers	221,01,544	67,41,958
TOTAL NOTE 15	446,27,826	353,85,505
NOTE - 16 : OTHER CURRENT ASSETS:		
<i>(Unsecured and considered good as certified by the management)</i>		
a. Interest Accrued on Deposits	-	94,695
b. Other Receivables	37,69,596	37,07,057
TOTAL NOTE 16	37,69,596	38,01,752

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, 2020

(Amount in Rs.)

Particulars	For The Year 31-March-20 Rs.	For The Year 31-March-19 Rs.
NOTE - 17 : REVENUE FROM OPERATION:		
a. Sale of Products	5935,96,771	6427,57,879
b. Other Operating Revenues	60,27,778	57,37,905
TOTAL NOTE : 17	5996,24,549	6484,95,784
NOTE - 18 : OTHER INCOME :		
Interest Income	17,447	1,91,925
Foreign Exchange Fluctuation	39,34,321	46,46,636
Other Misc. Income	1,00,427	3,96,858
TOTAL NOTE : 18	40,52,195	52,35,419
NOTE - 19 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED :		
Opening Stock :	1306,67,999	974,39,142
Add : Purchases	4052,51,585	4795,42,405
Less : Closing Stock	1130,70,121	1306,67,999
TOTAL NOTE : 19	4228,49,463	4463,13,548
NOTE - 20 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE :		
a. Stock At Close		
Finished Goods	396,78,492	462,49,310
Semi-Finished Goods	260,28,000	98,72,058
Total (a)	657,06,492	561,21,368
b. Stock At Commencement		
Finished Goods	462,49,310	193,32,422
Semi-Finished Goods	98,72,058	98,19,754
Total (b)	561,21,368	291,52,176
TOTAL NOTE 20 (b-a)	(95,85,124)	(269,69,192)

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, 2020

(Amount in Rs.)

Particulars	For The Year 31-March-20 Rs.	For The Year 31-March-19 Rs.
NOTE - 21 : EMPLOYEE BENEFITS EXPENSES :		
Salary, Wages and Bonus	344,99,294	345,62,116
Director Remuneration	150,00,000	168,00,000
Contribution to Provident Fund & Gratuity Fund Provision	34,49,698	28,44,205
Staff Welfare Expenses	89,90,116	129,23,383
TOTAL NOTE : 21	619,39,108	671,29,704
NOTE - 22 : FINANCE COSTS :		
Interest on Term Loans	37,28,461	48,39,967
Interest on Working Capital Facilities	107,19,040	86,71,769
Other Interest	5,269	8,083
Other Borrowing Cost	27,05,065	19,83,684
TOTAL NOTE : 22	171,57,835	155,03,503
NOTE - 23 : OTHER EXPENSES :		
a. Manufacturing & Operating Costs		
Consumption of Electirc, Power and Fuel	105,35,616	99,88,089
Machinery Repairs & Maintenance	33,70,407	37,56,076
Building Repairs & Maintenance	1,62,271	4,22,055
Electric Repairs & Maintenance	5,48,770	3,80,256
Rent	12,000	12,000
Other Manufacturing & Operating Expenses	15,33,737	31,35,891
Total (a)	161,62,800	176,94,367
b. Sales & Distribution Expenses		
Advertisement	25,74,832	127,42,087
Sales Promotion Expenses	58,98,220	132,48,429
Export Related Expenditure	117,14,966	90,63,516
Transportation & Loading Expenses	19,63,470	20,04,535
Total (b)	221,51,488	370,58,567
c. General & Administrative Expenses		
Rates & Taxes	5,22,929	12,91,059
Conveyance, Tour and Travelling Expenses	18,53,862	21,24,929
Audit Fees	1,25,000	1,25,000
Legal and Professional Expenses	39,54,807	98,86,955
Insurance	22,60,590	12,42,109
Loss on Disposal of Fixed Assets	-	11,82,407
CSR Expenses	7,07,828	-
General Administration Expenses	114,04,056	173,28,149
Total (c)	208,29,072	331,80,607
TOTAL NOTE 23 (a+b+c)	591,43,360	879,33,541

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

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.

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

(iii) Revenue Recognition:

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

Sales of Goods:

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Sales 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.

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

Type of Asset	Useful Life as per management's estimate from April 1, 2014
Factory Building	30 Years
Plant & Machinery	15 Years
Electric Fittings	10 Years
Vehicles (Scooters & Mopeds)	10 Years
Vehicles (Motor Cars & 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. Method used is FIFO. 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.

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

Defined Benefit Plans:

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

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

(viii) Foreign Currency Transactions:

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

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

Foreign currency translation differences relating to liabilities incurred for purchasing of 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

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

which the funds are acquired. All other borrowing costs are charged to statement of profit and loss.

(xi) Taxes on Income

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

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

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

(xii) Earnings / (Loss) per share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders 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, if any, and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

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

(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 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.

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

(xv) Segment Reporting:

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

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
UDIN: **20102114AAAAD7703**

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/-
Milankumar Ganatra
Company Secretary

Date: 30th June, 2020
Place: Morbi

Date: 30th June, 2020
Place: Morbi

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, 2020

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.

2 Long Term and Short Term Borrowings :-**Secured :****Term Loans From Banks**Amt O/s

Rs.51.70 Lacs (Rs. 71.17 lacs) Primary Security - Hypothecation all Plant & Machineries.

Rs.835.88 Lacs (Rs. Nil) Primary Security - EQM of factory land and proposed building thereon situated at Sr. No. 338/IP1 & IP2, Village Lajjai, Taluka Tankara, Dist. Morbi standing in the name of M/s. Sonam Clock Ltd. (lease hold) (Area : 5159.72 Sq. Mtrs.)

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 BanksAmt O/s

Rs. 57.47 lacs (P.Y. 48.29 lacs) Secured against hypothecation of vehicles

Business Loans From Banks & Financial CompaniesAmt O/s

Rs. Nil (P.Y. Rs.122.29 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 repayable on demandAmt O/s

Rs. 1417.51 lacs (P.Y. 1127.45 lacs) Primary Security - Hypothecation of Stocks and Book Debts.

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 9% to 12% p.a. depending upon the prime lending rate / base rate of the banks 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. 29 lacs (P.Y. Rs. 30 lacs) carries 9% interest rate and is repayable within 1 year from the balance date.

3 Managerial Remuneration to Directors

Salaries, Perquisites & Allowances

2019-20

150,00,000

150,00,000

2019-20

1,25,000

-

1,25,000.00

2019-20

1161,43,651

-

1161,43,651

2018-19

168,00,000

168,00,000

2018-19

1,25,000

-

1,25,000

2018-19

1345,42,463

-

1345,42,463

6 The consumption of

Raw material

i) Imported

ii) Indigenous

2019-20

Rs. %

1161,43,651

27.47%

3067,05,812

72.53%

4228,49,463

100.00%

2018-19

Rs. %

1345,42,463

30.15%

3117,71,085

69.85%

4463,13,548

100.00%

SONAM CLOCK LTD.

	2019-20	2018-19
7 Expenditure & Earnings in Foreign Exchange	2019-20	2018-19
a) Expenditure	-	-
b) Earnings for sale of goods	1681,02,506	1505,43,650
8 Deferred Tax Liability Comprise of the following	2019-20	2018-19
a) Deferred tax liabilities		
Related to Fixed Assets	109,32,886	113,81,754
	109,32,886	113,81,754
b) Deferred tax assets		
Related to Gratuity	6,26,004	4,84,744.00
	6,26,004	4,84,744.00
Deferred Tax Liability / (Assets) {Net} (a-b)	103,06,882	108,97,010
9 Earning Per Share	2019-20	2018-19
(Amt Rs. in Lacs unless otherwise stated)		
Continuing & Total Operations		
Net Profit after tax (PAT)	285,21,584	370,46,082
Net Profit available to equity share holders	A 285,21,584	370,46,082
Add: Exceptional & Extra-Ordinary Items (Net of Taxes)	-	-
Net Profit Before Exceptional & Extra-Ordinary items	B 285,21,584	370,46,082
Weighted Nos. of Equity Shares used as denominated for calculating the Basic EPS after issue of Bonus Shares	C 100,08,000	94,54,093
Basic EPS Before Exceptional & Extra-Ordinary items (Amt. in Rs.)	(A/C) 2.85	3.92
Basic EPS After Exceptional & Extra-Ordinary items (Amt. in Rs.)	(B/C) 2.85	3.92

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

(Amt. Rs. in Lacs)

Gratuity Benefits

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

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

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

Particulars	2019-20	2018-19
Opening defined benefit obligation	17,42,430	15,88,332
Interest Cost	1,04,546	1,11,183
Current Service Cost	8,01,371	5,72,589
Benefit Paid	-	-
Actuarial (Gain) / Losses on obligation	(1,61,047)	(5,29,674)
Closed Defined benefit obligation	24,87,300	17,42,430

(II) Details of defined benefit gratuity plan

Particulars	2019-20	2018-19
Defined benefit obligation (A)	24,87,300	17,42,430
Fair Value of plan asset (B)	-	-
Present value of Unfunded obligation (C=A-B)	24,87,300	17,42,430
Less: Unrecognized past service Cost (D)	-	-
Plan Asset/ (Liability) (E=D-C)	(24,87,300)	(17,42,430)

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

Particulars	2019-20	2018-19
Current Service Cost	8,01,371	5,72,589
Interest Cost on benefit obligation	1,04,546	1,11,183
Expected return on plan assets	-	-
Net Actuarial (Gain)/Loss recognized in the year	(1,61,047)	(5,29,674)
Past Service Cost	-	-
Net Benefit Expense / (Income)	7,44,870	1,54,098

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

Particulars	2019-20	2018-19
Defined Benefit obligation	24,87,300	17,42,430
Plan Assets	-	-
Surplus / (Deficit)	(24,87,300)	(17,42,430)
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	2019-20	2018-19
Retirement Age to be Assumed at	60 Years	60 Years
Rate of Discounting	6.00% p.a.	7.00% 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.	25.00% p.a.
For 30 to 44 Years p.a.	25.00% p.a.	25.00% p.a.
For 44 to 60 Years p.a.	25.00% p.a.	25.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14) 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.

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, Managing Director
 Deepaben J. Shah, Whole Time Director
 Jigar Dipakbhai Mehta, Independent Director
 Shreyansh Vijaybhai Vora, Independent Director
 Rutvi J Shah, Director
 Sejal Hareshbhai Shah, CS
 Khushboo Mehta, CS
 Minaxi Taladiya, CS
 Milankumar Ganatra, CS
 Amitbhai Jannadas 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
 Shree Ansyabai Chhabildas Shah Charitable Trust

Companies / Entities owned / significantly influenced by relatives of directors

Sonam Tradelink LLP

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

Amt. (Rs. in Lacs)

Name of Related Parties	Transaction	2019-20	2018-19
Transactions			
Jayeshbhai C. Shah	Loans & Advances Received	1,194.00	112.00
Deepaben J. Shah	Loans & Advances Received	145.00	25.00
Jayeshbhai C. Shah	Loans & Advances Repaid	1,190.00	213.24
Deepaben J. Shah	Loans & Advances Repaid	150.00	140.91
Jayeshbhai C. Shah	Directors' Remuneration	84.00	96.00
Deepaben J. Shah	Directors' Remuneration	60.00	66.00
Rutvi J Shah	Directors' Remuneration	6.00	6.00
Jigar Dipakbhai Mehta	Director Sitting Fees	0.15	-
Shreyansh Vijaybhai Vora	Director Sitting Fees	0.15	-
Sejal Hareshbhai Shah	Salary	-	1.57
Kuhushboo Mehta	Salary	-	0.41
Amitbhai Jannadas Vaghajiyani	Salary	6.00	6.00
Jatin Shashikant Movani	Salary	6.00	6.00
Samir Champaklal Doshi	Salary	4.80	4.80
Minaxi Taladiya	Salary	1.80	-
Milankumar Ganatra	Salary	0.40	-
Shree Ansyabai Chhabildas Shah Charitable Trust	Donation	11.00	-
Jayeshbhai C. Shah	Interest Paid	16.30	2.12
Deepaben J. Shah	Interest Paid	1.35	2.28
Jayeshbhai C. Shah	Rent Paid	0.06	0.06
Deepaben J. Shah	Rent Paid	0.06	0.06
Closing Balances Dr/(Cr)			
Jayeshbhai C. Shah	For Loan Liability / Advance	(29.00)	(25.00)
Deepaben J. Shah	For Loan Liability / Advance	-	(5.00)
Jayeshbhai C. Shah	For Interest Rent & Directors' Remuneration Payable	(4.84)	(5.31)
Deepaben J. Shah	For Interest Rent & Directors' Remuneration Payable	(3.56)	(3.57)
Rutvi J Shah	For Directors' Remuneration Payable	(0.40)	(1.80)
Sejal Hareshbhai Shah	For Salary Payable	-	-
Kuhushboo Mehta	For Salary Payable	-	(0.17)
Milankumar Ganatra	For Salary Payable	(0.20)	-
Amitbhai Jannadas Vaghajiyani	For Salary Payable	(0.50)	(0.50)
Jatin Shashikant Movani	For Salary Payable	(0.50)	(0.50)
Samir Champaklal Doshi	For Salary Payable	(0.40)	(0.40)

Companies / Entities owned / significantly influenced by Directors

Amt. (Rs. in Lacs)

Name of Related Parties	Transaction	2019-20	2018-19
Transactions			
Rutvi Enterprise	Purchases of Goods (Incl. Taxes)	277.76	248.20
Rutvi Enterprise	Purchases of Assets	5.00	-
Closing Balances Dr/(Cr)			
Rutvi Enterprise	Advance to Suppliers / (Trade Payables)	-	(22.09)

Companies / Entities owned / significantly influenced by relatives of directors

Amt. (Rs. in Lacs)

Name of Related Parties	Transaction	2019-20	2018-19
Sonam Tradelink LLP	Sales (Net) (Incl. Taxes)	206.04	328.90
Sonam Tradelink LLP	Purchase (Incl. taxes)	3.00	-
Sonam Tradelink LLP	Commission Exp (Incl. Tax)	10.31	-
Closing Balances Dr/(Cr)			
Sonam Tradelink LLP	Trade Receivables	111.26	93.01

SONAM CLOCK LTD.

- 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 Laacs (Rs. 0.12 Laacs)
- 14 In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

15	<u>Contingent Liabilities*</u>	<i>Amt. Rs.in Laacs</i>	
		<u>2019-20</u>	<u>2018-19</u>
(i)	Outstanding LC / BG LC Outstanding	-	23.97
(ii)	Pending Litigations: Central Excise Matters under dispute & under adjudication Value Added Tax (VAT) Matters under dispute & under adjudication	35.01 130.31	35.01 130.31

* Contingent liability produced here in above on the basis of information compiled by the management of the company

- 16 Corporate Social Responsibility
As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Companies Act, 2013.

(a) Gross amount required to be spent by the company during the year was Rs. 6,99,932

(b) Amount Spent during the year:

Sr. No.	Particulars	In Cash / Bank	Yet to be paid in Cash / Bank	Total
(i)	Construction/Acquisition of any Assets	-	-	-
(ii)	On Purposes other than (i) above	-	7,07,828	7,07,828

- 17 As explained by management of the company, the outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company is into the business of "Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items". The company has evaluated impact of this pandemic on its business operations. Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is not material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.
- 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 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
UDIN: 20102114AAAADE7703

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/-
Milankumar Ganatra
Company Secretary

Place : Morbi
Date : 30th June, 2020

Place : Morbi
Date : 30th June, 2020