



SONA HI SONA JEWELLERS
(GUJARAT) LTD.

CIN : L36910GJ2010PLC059513 | GSTIN : 24AAOCS1450R1ZT

Freya

JINANSH

Date: 04/09/2020

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza,
BandraKurla Complex, Bandra (East),
Mumbai-400051

NSE Scrip Symbol: **SONAHISONA**

Dear Sir/ Madam

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

In compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 we hereby submit copy of 11th 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 11th Annual General Meeting (AGM) of Sona Hi Sona Jewellers (Gujarat) Limited will be held on Monday, 28th September, 2020 at 04:00 P.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 is registered with the company/Depository participant. The shareholders whose email id is not registered with the company may demand annual report copy through request sent at Email at cs@sonahisona.com.

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

We request you to kindly take the above said information on record.

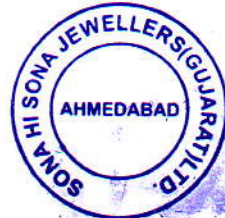
Thanking You,

Certified True Copy

For, SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Vijay C. Shah

Vijay C. Shah
Managing Director
DIN: 02895347





SONA HI SONA

SONA HI SONA JEWELLERS (GUJARAT) LIMITED

CIN: L36910GJ2010PLC059513



JINANSH



Freya

ANNUAL REPORT 2019-20

ABOUT SONA HI SONA JEWELLERS (GUJARAT) LIMITED

The Founder promoter of our Company Mr. Vijaybhai Chinubhai Shah is in the business of Jewellery since 2000 and started proprietorship firm in the name of M/s Sona Hi Sona. He had continued the same business in the proprietorship up to year 2010. He along with his wife incorporated Company at Ahmedabad as “Sona Hi Sona Jewellers (Gujarat) Private limited” on 09th February, 2010 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently the company was converted into a Public Limited Company vide fresh certificate of incorporation dated 19th July, 2017 and the name was changed to “Sona Hi Sona Jewellers (Gujarat) Limited”

We are into jobwork and trading business of branded gold Jewellery and ornaments. Our collection of product includes gold jewellery with or without studded precious and semi-precious stones. We offer our customers a broad variety of gold jewellery in order to cater to regional tastes. We also customise jewellery for individual needs. The designing and jobwork of our products is done either in house or by third parties on job work basis. Our products have presence across different price points to cater to all customers across high-end, mid-market and value market segments. Apart from our own Jewellery we are also dealing in trading of branded jewellery.

We are a customer-centric company, our prime focus is to attain the utmost client satisfaction by offering them quality assured products. We also deliver our products in a quality packaging material to ensure safe transport. Moreover, our ethical trade practices, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offer our customers the designs with superior finish and quality.

Our Promoters Vijaybhai C. Shah and Alpaben V. Shah have around 18 years and 7 years of experience respectively in gold and jewellery industry and with their innovative business ideas, in-depth knowledge and excellent management skills, we have served our customers proficiently. Some of our major customers include Jyotirmay Jewels Private Limited, Suvarna Shilpi Jewellers Private Limited, Shri Haridarshan Jewellers etc.

CORPORATE INFORMATION

BOARD MEMBERS

Mr. Vijay Shah
Managing Director

Mrs. Alpa Shah
Wholetime Director

Mr. Nirav Shah
Non- Executive Independent Director

Mr. Manish Jain
Non- Executive Independent Director

Mr. Jugal Dave
Non- Executive Independent Director

STATUTORY AUDITOR

M/s. J S Shah & Co.
Chartered Accountants, Ahmedabad

INTERNAL AUDITOR

M/s. Dipesh Chokshi & Co.
Chartered Accountants, Ahmedabad

SECRETARIAL AUDITOR

M/s. Disha Barot & Associates,
Practicing Company Secretaries, Ahmedabad

KEY MANAGERIAL PERSONNEL

Mrs. Alpa Shah
Chief Financial Officer

Mrs. Falak Patel
Company Secretary & Compliance Officer

REGISTERED OFFICE

7, Millennium Plaza,
Opp, Swaminarayan Mandir,
Mansi Cross Road, Vastrapur,
Ahmedabad – 380015, Gujarat

CORPORATE IDENTIFICATION NUMBER

L36910GJ2010PLC059513

WEBSITE

www.sonahisona.com

INVESTOR SERVICE EMAIL-ID

cs@sonahisona.com

BANKERS TO THE COMPANY

UNION BANK OF INDIA

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

C-101, 247 Park LBS Marg,
Vikhroli West,
Mumbai – 400083,
Maharashtra

CONTENTS OF ANNUAL REPORT 2019-20

SR. NO.	PARTICULARS
1.	Company information
2.	Notice to Members
3.	Directors Report
4.	Annexure to Director Report
5.	Independent Auditors Report
6.	Balance Sheet
7.	Statement of Profit & Loss
8.	Statement of Cash flow Statement
9.	Notes forming part of the Financial Statements

NOTICE TO MEMBERS

Notice is hereby given that 11th Annual General Meeting of the members of the company will be held on Monday, 28th September, 2020 at 4:00 P.M. through video conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

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

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

"RESOLVED THAT the Board's Report 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."

2. To appoint Mrs. Alpa V. Shah (DIN: 02887435), who retires by rotation and being eligible, 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. Alpa V. Shah (DIN: 02887435) 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."

3. To appoint M/s. J S Shah & Co. as the statutory auditor of the company from the conclusion of 11th Annual General Meeting until the conclusion of 15th Annual General Meeting and to fix their remuneration.

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 139 and 142 of the Companies Act, 2013, and the Rules made thereunder, M/s J S SHAH & Co., Chartered Accountants, Ahmedabad (Firm Registration Number: 132059W) be and are hereby appointed as the auditors of the company to hold office from the conclusion of 11th Annual General Meeting until the conclusion of 15th Annual General Meeting on such remuneration as may be determined by the Board of Directors of the company on year to year basis.”

Date: 03/09/2020

Place: Ahmedabad

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

SD/-
Falak B. Patel
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 11th AGM 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 serve 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, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.sonahisona.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. 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. 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.
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@sonahisona.com with a copy marked to evoting@nsdl.co.in.
11. 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.
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.sonahisona.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. 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.
14. 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.
15. 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 **Tuesday, 22nd**

September, 2020 to Monday, 28th September, 2020 (both days inclusive) in connection with the Annual General Meeting.

16. The Company or its Registrars and Transfer Agents, Link Intime India Pvt. Ltd 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.
17. 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.
18. 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.
19. The Company has fixed Monday, 21st September, 2020, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.
20. Ms. Disha Barot, Company Secretary in Practice (M. No: 55042, COP No.:20409) has been appointed as a Scrutinizer to scrutinize the voting and process for the Annual General Meeting in a fair and transparent manner.
21. 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.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 23. The Instructions for members for remote E-Voting are as under:-**

The remote e-voting period begins on 25th September, 2020 at 09:00 A.M. and ends on 27th September, 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.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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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.

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9. After you click on the “Login” button, Home page of e-Voting will open.
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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 csdishabarot@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of

www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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@sonahisona.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:

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.

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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@sonahisona.com. The same will be replied by the company suitably.

ANNEXURE- I TO NOTICE
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE
11TH ANNUAL GENERAL MEETING
[PURSUANT TO REGULATION 36(3) OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)REGULATIONS, 2015]

Name of Director	Alpaben Vijay Shah
Date of Birth	June 10, 1982
Age	38 years
Date of Appointment	February 09, 2010
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	Chief Financial Officer of Sona Hi Sona Jewellers (Gujarat) Limited
Membership of Committees in other unlisted Public Companies	NIL
Inter Relationship	Spouse of Mr. Vijay C. Shah, Managing Director
Shares held in the Company as at 31 st March, 2020	17,89,700

Date: 03/09/2020

Place: Ahmedabad

By the order of Board of Directors,
 Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
 Mandir, Mansi Cross Road, Vastrapur,
 Ahmedabad – 380015

SD/-
 Falak B. Patel
 Company Secretary

DIRECTORS' REPORT

To,
The Members,
SONA HI SONA JEWELLERS (GUJARAT) LIMITED
AHMEDABAD

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

FINANCIAL SUMMARY

(in ₹)		
Particulars	2019-20	2018-19
Total Revenue	9434,80,442	6717,98,617
Total Expenditure	942,023,338	666,722,675
Profit /(Loss) Before Tax	14,57,104	50,75,942
Less: Current Tax	(4,57,911)	(15,11,019)
Deferred Tax	(1,56,088)	93,579
Profit /(Loss) after Taxation	8,43,106	36,58,502
Balance carried to Balance Sheet	8,43,106	36,58,502
Earnings Per Share(EPS)		
Basic	0.05	0.50
Diluted	0.12	0.50

FINANCIAL HIGHLIGHTS AND OPERATION

The Key highlights pertaining to the business of the company for the year 2019-20 and period subsequent there to have been given hereunder:

- The total revenue of the Company during the financial year 2019-20 was ₹ 9434,80,442 against the total revenue of ₹ 6717,98,617 in the previous financial year 2018-19.
- The total expenses of the Company during the financial year 2019-20 was ₹ 942,023,338 against the expenses of ₹ 666,722,675 in the previous financial year 2018-19.
- The Profit after tax is ₹ 8,43,106 for the financial year 2019-20 as compare to ₹ 36,58,502 in the previous financial year 2018-19.
- The Directors trust that the shareholders will find the performance of the company for financial year 2019-20 to be satisfactory. The Earning per Share (EPS) of the company is ₹ 0.05 per share.

DIVIDEND

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.

RESERVES

The net profit of the company for F.Y 2019-20 is ₹ 8,43,106. 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.

CHANGE IN THE NATURE OF BUSINESS

For sustained growth in the future, Company wants to rely on the main businesses of company; there is no change in the nature of the business of the Company during the year.

CAPITAL STRUCTURE

The Authorized Share Capital of the Company has increased from ₹ 10,10,00,000/- (Ten Crore Ten Lakh) divided into 1,01,00,000 (One Crore On Lakh) equity shares of Rs. 10/- each to ₹ 28,00,00,000 (Rupees Twenty Eight Crore only) divided into 2,80,00,000 (Two Crore Eighty lacs) equity shares of ₹ 10 each during the year under review.

The Paid up share capital of the Company has increased from ₹ 7,28,53,500/- (Seven Crore Twenty Eight lakh Fifty Three Thousand Five Hundred) divided into 72,85,350 (Seventy Two Lakh Eighty Five Thousand Three Hundred Fifty) equity shares of ₹ 10/- each to ₹ 16,78,53,500 (Rupees Sixteen Crore Seventy Eight Lakh Fifty Three Thousand Five Hundred) divided into 1,67,85,350 (One Crore Sixty

SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Seven lakh Eighty Five Thousand Three Hundred Fifty) equity shares of ₹ 10 each during the year under review by preferential issue of 50,00,000 shares and company came with IPO of 45,00,000 shares.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

The material changes and commitments affecting the financial position of the company that have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report is that the company came up with the Initial Public Offer(IPO) . During the year the Initial Public Officer (IPO) of the company, vide prospectus registered with Registrar of Companies, Ahmedabad, Gujarat on September 21,2019 and the In -principal approval of National Stock exchange of India Limited vide letter dated 09.09.2019, which is opened for subscription on September 30,2019 and closed on October 04,2019 for retails individual investors, Non -Institutional Inventors, and Market Maker, comprising of 45,00,000 Equity Shares of face value of ₹ 10/- per equity Share. The company was listed on NSE EMERGE PLATFORM on 15th October, 2019.

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 jobwork and trading business of branded gold Jewellery and ornaments. 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 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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

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.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:

The Board of Directors has formulated the Nomination and Remuneration Policy of your Company. The salient aspects covered in the Nomination and Remuneration Policy covering the policy on appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters. The same has been uploaded on website of the Company www.sonahisona.com.

Salient feature of the Policy as follows:

(i) APPOINTMENT & QUALIFICATION:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient or satisfactory for the concerned position.
- b) The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice.

(ii) TERM/TENURE:

a) Managing Director/ Whole-Time Director:

The Company shall appoint or re-appoint any person as its, Managing Director or Whole-Time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(iii) REMOVAL:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(iv) RETIREMENT:

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

(v) EVALUATION:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

(vi) POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

a) Remuneration to Managing Director, Whole-Time Director, Executive, Key Managerial Personnel and Senior Management Personnel: The Remuneration/Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b) Remuneration to Non-Executive/ Independent Director: The Non-Executive Independent Director may receive remuneration/ compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and as may be decided by the Board in consultation with Non-Executive/ Independent Director. Provided that Non-Executive Independent Directors are not eligible for any Stock Option.

(vii) REVIEW AND AMENDMENT:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse Board in its process. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which

will help us retain our competitive advantage. The Board has adopted the Board diversity policy which sets out the approach to diversity of the Board of Directors.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- As per Provisions of Section 152 of the Companies Act, 2013, Mrs. Alpaben Vijaybhai Shah is liable to retire by rotation and is eligible to offer herself for re-appointment.
- During the year under review, there was no change in the directorship of the Company. As on March 31, 2020, the Board of Directors comprise of 5 (Five) Directors.
- Mrs. Falak Brijesh Patel has been appointed as Company Secretary and Compliance officer of the company w.e.f. 1st May, 2019.

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 10 times, viz. 01.04.2019, 01.05.2019, 01.06.2019, 04.06.2019, 17.06.2019, 18.06.2019, 25.07.2019, 21.09.2019, 11.10.2019 and 03.02.2020.

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. Vijay Chinubhai Shah	Chairman & Managing Director	10	10
Mrs. Alpaben Vijaybhai Shah	Wholetime Director	10	10
Mr. Niravbhai Arvindbhai Shah	Independent & Non Executive Director	10	9
Mr. Manish Mahendrabhai Jain	Independent & Non Executive Director	10	7
Mr. Jugal Rajendrakumar Dave	Independent & Non Executive Director	10	7

MEETING OF AUDIT COMMITTEE:

As per provisions of Section 177 of the Companies Act, 2013 and applicable provisions, the Audit Committee was constituted on 17th June, 2019. The Audit Committee met 3 times during the year 2019-20 i.e. on 01.08.2019, 16.12.2019 and 03.02.2020.

Mr. Manish Mahendrabhai Jain (DIN: 07871644) is the Chairman of Audit Committee.

Members	Category	Meetings held	Meetings
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		during the tenure of the Directors	attended
Mr. Manish Mahendrabhai Jain	Independent &Non-Executive Director	3	3
Mr. Niravbhai Arvindbhai Shah	Independent &Non-Executive Director	3	3
Mr. Jugal Rajendrakumar Dave	Independent &Non-Executive Director	3	3

MEETING OF NOMINATION AND REMUNERATION COMMITTEE

As per provisions of Section 178 of the Companies Act, 2013 and applicable provisions, the Nomination and Remuneration Committee was constituted on 17th June, 2019. The Nomination and Remuneration Committee met 2 times during the year 2019-20 i.e. on 16.12.2019 and 03.02.2020.

Mr. Jugal Rajendrakumar Dave (DIN: 07895716) is the Chairman of Nomination and Remuneration Committee.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Jugal Rajendrakumar Dave	Independent &Non-Executive Director	2	2
Mr. Niravbhai Arvindbhai Shah	Independent &Non-Executive Director	2	2
Mr. Manish Mahendrabhai Jain	Independent &Non-Executive Director	2	2

MEETING OF STAKEHOLDER RELATIONSHIP COMMITTEE

As per provisions of Section 178 of the Companies Act, 2013 and applicable provisions, the Stakeholder Relationship Committee was constituted on 17th June, 2019. The Stakeholder Relationship Committee met 2 times during the year 2019-20 i.e. on 16.12.2019 and 03.02.2020.

Mr. Niravbhai Arvindbhai Shah (DIN: 07868247) is the Chairman of Stakeholder Relationship Committee

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Niravbhai Arvindbhai Shah	Independent &Non-Executive Director	2	2
Mr. Jugal Rajendrakumar Dave	Independent &Non-Executive Director	2	2
Mr. Manish Mahendrabhai Jain	Independent &Non-Executive Director	2	2

MEETING OF INDEPENDENT DIRECTORS

The independent directors of company met 1 time during the year on 03.02.2020 as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Niravbhai Arvindbhai Shah (DIN: 07868247) is the Chairman of Independent Directors Meeting.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Niravbhai Arvindbhai Shah	Independent &Non-Executive Director	1	1
Mr. Jugal Rajendrakumar Dave	Independent &Non-Executive Director	1	1
Mr. Manish Mahendrabhai Jain	Independent &Non-Executive Director	1	1

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking

into account the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of Companies Act, 2013 read with the Schedules and Rules issued there under as well as under Regulation 16(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company as well as consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company's Shares. The Insider trading policy of the Company covering the code of practices and procedures for fair Disclosures of unpublished price sensitive information and code of conduct for the prevention of Insider Trading is available on the website www.sonahisona.com.

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. Dipesh Chokshi & Co. Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 114533W) 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.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls and checks in commensurate with its activities. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

DETAILS OF HOLDING, SUBSIDIARY AND ASSOCIATES

The Company does not have any holding, subsidiary and associate Company during the period of Reporting.

EXTRACT OF ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed there under, the extract of the annual return for FY 2019-20 is given in "Annexure II" which is a part of this report in the prescribed Form No. MGT-9, which is a part of this report. The same is available on the company website www.sonahisona.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.

PARTICULARS OF EMPLOYEES:

During the year under review, there was no employee who has drawn remuneration in excess of the limits set out under section 197 (12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure V".

SEXUAL HARASSMENT:

The Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case filed or registered with the Committee during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

DISCLOSURE OF ACCOUNTING TREATMENT

These Financial statements of the Company are prepared in accordance with India Accounting Standards ("Ind AS"), notified under section 133 of Companies Act, 2013 read along with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

RISK MANAGEMENT

The Company has established a well-defined process of risk management wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. The Company, through its risk management process, aims to contain the risks within its appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

REPORTING ON SUSTAINABILITY

We are continuously striving to promote better and more effective sustainability policy and practices. In order to ensure transparent communication of our sustainability efforts to all our stakeholders we have made conscious efforts through technology innovation and effective communication and transparency.

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.

PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS MADE WITH THE RELATED PARTIES

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-IV attached to this report.

VIGIL MECHANISM:

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate Avenues to the employees to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We confirm that no director or employee has been denied access to the Audit Committee during F.Y. 2019-20.

The Policy provides that no adverse action shall be taken or recommended against any employee in retaliation to his/her disclosure, if any, in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Company. The same is available on the Company's Web www.sonahisona.com.

AUDITORS:**1. STATUTORY AUDITORS:**

The statutory auditor of the company M/s. Dipesh Chokshi & Co. resigned on 02.06.2020 as the company was listed on NSE Emerge Platform on 15th October, 2019 and as per SEBI, Listing Obligations & Regulations, 2015, regulation 33(1)(d), the listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The firm does not hold the Peer Review Certificate. Because of this reason, the statutory auditor resigned from the post of statutory auditor of the company. M/s. J S Shah & Co. was appointed as the statutory auditor in the board meeting dated 08.06.2020 subject to approval of shareholders in this Annual General Meeting for conducting the audit for the F.Y. 2019-20. As required under Regulation 33(d) of SEBI(LODR) Regulations, 2015 the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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. Disha Barot & Associates (CP. No. 20409), Practicing Company Secretary, Ahmedabad as Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the said Act for the Financial Year 2019-20.

A Secretarial Audit Report for the Financial Year 2019-20 is annexed herewith as Annexure-III 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. Dipesh Chokshi & Co., Chartered Accountants, Ahmedabad 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 J S Shah & Co. (FRN: 132059W), Chartered Accountants, Ahmedabad, in the Auditor's report and by Secretarial Auditors M/s. Disha Barot & Associates, Ahmedabad, 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 I.

DEMATERIALISATION 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 INE06MH01016 and Registrar and Share Transfer Agent is Link Intime India Pvt. Ltd.

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 and Independent Directors. The Nomination and remuneration policy is available on the website of the company at www.sonahisona.com.

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.

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@sonahisona.com.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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:

CONSERVATION OF ENERGY:

Energy conservation is very important for the company and therefore energy conservation measures are undertaken wherever practicable in its plant and attached facilities. The Company is making every effort to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment's with latest technologies.

Particulars	F.Y. 2019-20 (Amount in Rs.)
Fuels	Rs. 83386
Power /electricity	Rs. 57980

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earnings and out flow during the period under review as follows:

Particulars	2019-20	2018-19
Total foreign exchange outgo	-	-
Total foreign exchange inflow	-	-

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, RTA, Auditors and Practicing Company Secretary which have contributed to the successful management of the Company's affairs.

The Directors also take this opportunity to thank all the stakeholders, Investors, Clients, Banks, Government, Regulatory Authorities and Stock Exchange for their continued support.

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

Date: 03/09/2020
Place: Ahmedabad

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:
7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

SD/-
Falak B. Patel
Company Secretary

ANNEXURE I MANAGEMENT DISCUSSION AND ANALYSIS

To,
SONA HI SONA JEWELLERS (GUJARAT) LIMITED,
AHMEDABAD

GLOBAL ECONOMY

2019 was a tumultuous year for the global economy, marked by elevated trade tensions, policy uncertainty, geo-political risks and stressed financial conditions across many economies. The International Monetary Fund (IMF) estimates indicate that the global economy stood by 3.5% in 2019, as against 3.6% in 2018. The Emerging Market and Developing Economies (EMDEs) witnessed a sluggish environment, primarily due to mounting trade tensions, volatile oil prices and softening market sentiments. On the other hand, growing concerns about a no-deal Brexit, fiscal policy uncertainty and weakening consumer and investor confidence softened the growth momentum across the Euro zone. The US economy, however, posted a strong growth, led by fiscal stimulus and rise in consumption

INDIAN ECONOMY

On the domestic front, India recorded a growth of 6.1% in its Gross Domestic Product (GDP) during FY 2019-20 vis-à-vis 6.8% in FY 2018-19. However, it retained its spot as the fastest-growing major economy in the world. Its macroeconomic fundamentals continue to remain healthy. The Government has been intensifying its efforts towards creating better infrastructure, enhancing rural incomes and easing the liquidity and banking sector concerns. Accelerated resolution of Non-Performing Assets (NPAs) and unshackling of balance sheets of banks and financial institutions will strengthen the pace of economic expansion. Further, private consumption and investment will strengthen on the back of systemic credit flow, moderate inflation and accommodative monetary policy.

(Source: IMF World Economic Outlook, April 2020)

INDIA – GEMS & JEWELLERY

The gems and jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent to country's GDP and 15 per cent to India's total merchandise export. It employs over 4.64 million people, which is expected to reach 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Based on its potential for growth and value addition, the Government declared gems and jewellery sector as a focus area for export promotion. The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by Government policies. Moreover, India exports 75 per cent of the world's polished diamonds as per statistics from the Gem and Jewellery Export Promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). Government has viewed this sector as a thrust area for export promotion. The Indian Government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route. The sector employs over 4.64 million employees, which is expected to touch 8.23 million by 2022.

MARKET SIZE

India's gems and jewellery sector is one of the largest in the world, contributing 29 per cent to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019-2023.

India's demand for gold reached 690.4 tonnes in 2019. India's gems and jewellery export stood at US\$ 29.01 billion in FY20P. During the same period, India exported US\$ 18.66 billion worth of cut and polished diamonds, thereby contributing 64 per cent of the total gems and jewellery export.

India's import of gems and jewellery stood at US\$ 24.01 billion in FY20P.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to country's foreign reserves. The Goods and Services Tax (GST) will steer India's gold demand going forward.

GOLD DEMAND

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are key drivers behind the demand of gold and other jewellery in India. India's demand for gold reached 690.4 tonnes in 2019. The Government has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. The Rs 250,000 crore (US\$ 35.77 billion) household jewellery industry is probably going to get a major lift through the Government's decision for FDI in retail. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018 to include a BIS mark, purity in carat and fitness, as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring

stringent quality check on gold jewellery. The Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation (till January 2021).

As per Union Budget 2019-20, the GST rate has been reduced from 18 per cent to 5 per cent (*5 per cent without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.

(Source: IBEF Report on Gems & Jewellery Sector)

OPPORTUNITIES & THREATS

Demand for gold and diamond jewellery has been steadily rising, driven by a combination of factors, including expanding urbanisation, higher affluence, growing aspirations and burgeoning income levels. Gold jewellery has been a central part of the Indian culture, and is considered a store of value, a symbol of wealth and status and a fundamental part of several rituals and festivals. Gold has historically proved to be a safe haven and a stable asset-class, providing maximum returns over the long term, despite investing not leading to steady income generation. India is poised for robust economic growth and is home to one of the world's youngest populations. Increasing aspirations and changing preferences of young demographics, coupled with rising disposable incomes, will propel demand for fashion jewellery.

The jewellery industry is highly capital intensive due to its long working capital and realisation cycle. A few recent incidents of financial defaults have created a liquidity squeeze in the industry, prompting banks and financial institutions to reduce their exposure to industry players. This liquidity crunch has caused a blip in profitability and growth of the jewellery industry. The jewellery industry is susceptible to continuous changes in the regulatory framework and market conditions. Adverse economic factors, regulatory upheavals and unfavourable Government policies can lead to disruptions in the industry performance.

INDUSTRY OUTLOOK

Growth is estimated to be largely contributed by large retailers and established brands guiding the organised market and opening opportunities to grow. Online sales are expected to account for 1-2% of the fine jewellery segment by FY2021-22. Increasing penetration in Tier 2&3 cities and rural markets have been driving scale amidst the bulk of growth for luxury jewellery brands. Another key focus is the industry's export potential. With India being a cutting and polishing hub for diamonds, the Government aims to make India a preferred destination for diamond manufacturing too and an international diamond trading hub.

(Source: IBEF Report on Gems & Jewellery Industry)

RISKS AND CONCERNS

The Indian economy is on a high growth trajectory, with several favourable macroeconomic indicators supporting the growth momentum. The jewellery industry is expected to benefit from the recent developments in the economy. Higher income in the hands of farmers and rural population, driven by normal monsoon forecast, will translate into robust spending and consumption, thus fuelling the demand for jewellery. Frequent regulatory changes and fluctuations in gold and commodity prices may pose a challenge to the Company's margins. Presence of unorganised players and expansion of regional players results in intense competition in the jewellery industry.

FINANCIAL PERFORMANCE

The Company's financial performance for the year ended on March 31, 2020 is as below:

Particulars	2019-20	2018-19
Total Revenue	9434,80,442	6717,98,617
Total Expenditure	942,023,338	666,722,675
Profit /(Loss) Before Tax	14,57,104	50,75,942
Less: Current Tax	(4,57,911)	(15,11,019)
Deferred Tax	(1,56,088)	93,579
Profit /(Loss) after Taxation	8,43,106	36,58,502
Balance carried to Balance Sheet	8,43,106	36,58,502

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has implemented proper system for safeguarding the operations/business of the company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements. The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. The company gets internal audit and verification done at regular intervals. The requirement of having internal auditor compulsory by

statute in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company has undertaken employee's development initiatives, which have very positive impact on the morale and team spirit of the employees. The company has continued to give special attention to human resources and overall development.

CAUTIONARY STATEMENT

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

Sd/-
Vijay C. Shah
Managing Director
DIN: 02895347

Sd/-
Alpa V. Shah
Wholetime Director
DIN: 02887435

ANNEXURE II

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

1. REGISTRATION & OTHER DETAILS

1	CIN	L36910GJ2010PLC059513
2	Registration Date	09.02.2010
3	Name of the Company	SONA HI SONA JEWELLERS (GUJARAT) LIMITED
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	7, MilleniumPlaza, opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad 380015
6	Whether listed company	Listed Company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park LBS Marg, Vikhroli West, Mumbai - 400083, Maharashtra

2. 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	GOLD & JEWELLERY	32111	100.00

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

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

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5111600	0	5111600	70.16	10111600	0	10111600	60.24	-9.92
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0.00	0
c) Bodies Corporates	2173500	0	2173500	29.83	2173500	0	2173500	12.95	-16.89
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	7285100	0	7285100	99.9966	12285100	0	12285100	73.19	-26.81
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0

SONA HI SONA JEWELLERS (GUJARAT) LIMITED



d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	7285100	0	7285100	99.99	12285100	0	12285100	73.18	-26.81
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
C) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0.0000	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0.0000	0	0	0	0	0
(2) Non Institutions									
a) Bodies corporates	0	0	0	0	410000	0	410000	2.44	2.44
i) Indian	0	0	0	0	410000	0	410000	2.44	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0

SONA HI SONA JEWELLERS (GUJARAT) LIMITED



i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	0	0	0	190250	0	190250	1.13	1.13
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0	0	0	3900000	0	3900000	23.23	23.23
c) Others (specify)	250	0	250	0.0034	0	0	0	0	0
SUB TOTAL (B)(2):	250	0	250	0.0034	4500250	0	4500250	26.81	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	250	0	250	0.0034	4500250	0	4500250	26.81	26.8
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7285350	0	7285350	100	16785350	0	16785350	100	0

II. Shareholding of Promoter and Promoter Group:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Vijay C. Shah	2463400	33.81	0	5705400	33.99	0	0.18
2	Mrs Alpaben V. Shah	1597700	21.93	0	1789700	10.66	0	-11.27
3	Mr. Jayesh C. Shah	1050000	14.41	0	1050000	6.26	0	-8.16
4	M/s Jirawala Association	2173500	29.83	0	2173500	12.95	0	-16.89
5	Mrs Devilaben C. Shah	250	0.00	0	252250	1.50	0	1.50
6	Mrs. Sonal P. Shah	250	0.00	0	250	0.00	0	0
7	Chinulal Jayantilal Shah	0	0.00	0	1314000	7.83	0	7.83
	Total	7285100	100.00	0	12285100	73.19	0	-26.81

III. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Vijay C. Shah				

	At the beginning of the year	2463400	33.81	2463400	33.81
	Change in Shareholding during the year	Conversion of Loan Into Equity in the BM dated 17/06/2020 3242000 shares given to Mr. Vijay Shah			
	At the end of the year	5705400	33.99	5705400	33.99

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
2	Alpaben V. Shah				
	At the beginning of the year	1597700	21.93	1597700	21.93
	Change in Shareholding during the year	Conversion of Loan Into Equity in the Board meeting dated 17/06/2020 192000 shares given to Mrs. Alpa Shah			
	At the end of the year	1789700	10.66	1789700	10.66

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
3	Jayesh C. Shah				
	At the beginning of the year	1050000	14.41	1050000	14.41
	Change in Shareholding during the year	0	0	0	0
	At the end of the year	1050000	6.26	1050000	6.26

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
4	JIRAWALA ASSOCIATION				

	At the beginning of the year	2173500	29.83	2173500	29.83
	Change in Shareholding during the year	0	0	0	0
	At the end of the year	2173500	12.95	2173500	12.95

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
5	DEVILABEN C. SHAH				
	At the beginning of the year	250	0.000034	250	0.000034
	Change in Shareholding during the year	Preferential Allotment of 252000 shares to Mrs. Devila Shah in Board meeting dated 17/06/2019			
	At the end of the year	252250	1.5	252250	1.5

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
6	SONAL P. SHAH				
	At the beginning of the year	250	0.000034	250	0.000034
	Change in Shareholding during the year	0	0	0	0
	At the end of the year	250	0.000034	250	0.000034

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
7	Chinulal Jayantilal Shah				
	At the beginning of the year	0	0	0	0

	Change in Shareholding during the year	Preferential Allotment of 1314000 shares to Mr. Chinulal Shah in Board meeting dated 17/06/2019			
	At the end of the year	250	0.000034	250	0.000034

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

Sr. No.	Shareholding of Top 10 Shareholders	Date	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
1.	PRAVINCHANDRA M VARIYA					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	750000	4.47%	750000	4.47%
	At the end of the year	31/03/2020	750000	4.47%	750000	4.47%
2.	NILESHKUMAR SEVANTILAL SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	590000	3.51%	590000	3.51%
	At the end of the year	31/03/2020	590000	3.51%	590000	3.51%
3.	PRAVINCHANDRA JAYANTILAL SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	480000	2.86%	480000	2.86%
	At the end of the year	31/03/2020	480000	2.86%	480000	2.86%
4.	RENUKA PRAVINCHANDRA SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	480000	2.86%	480000	2.86%
	At the end of the year	31/03/2020	480000	2.86%	480000	2.86%
5.	PARESHKUMAR KIRTIBHAI SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	380000	2.26%	380000	2.26%
	At the end of the year	31/03/2020	380000	2.26%	380000	2.26%
6.	PRAKASH JAYANTILAL SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	290000	1.73%	290000	1.73%
	At the end of the year	31/03/2020	290000	1.73%	290000	1.73%
7.	NNM SECURITIES					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	250000	1.49%	250000	1.49%
	At the end of the year	31/03/2020	250000	1.49%	250000	1.49%

8.	SHILPABEN P VARIYA					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	250000	1.49%	250000	1.49%
	At the end of the year	31/03/2020	250000	1.49%	250000	1.49%
9.	MONABEN PRAKASHKUMAR SHAH					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	150000	0.89%	150000	0.89%
	At the end of the year	31/03/2020	150000	0.89%	150000	0.89%
10	NEWEDGE VINIMAY PRIVATE LIMITED					
	At the beginning of the year	01/04/2019	0	0	0	0
	Change during the year	-	130000	0.77%	130000	0.77%
	At the end of the year	31/03/2020	130000	0.77%	130000	0.77%

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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
1.	Vijay C. Shah				
	At the beginning of the year	2463400	33.81	2463400	33.81
	Change during the year	3242000	-	3242000	-
	At the end of the year	5705400	33.99	5705400	33.99
2.	Alpa V. Shah				
	At the beginning of the year	1597700	21.93	1597700	21.93
	Change during the year	192000	-	192000	-
	At the end of the year	1789700	10.66	1789700	10.66

5. INDEBTEDNESS:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	121247834.00	1810540.00	0.00	123058374.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00

iii) Interest accrued but not due	0.00	0.00	0.00	0.00
iv) Interest paid	0.00	0.00	0.00	0.00
Total (i+ii+iii+iv)	121247834.00	1810540.00	0.00	123058374
Change in Indebtedness during the financial year				
Additions	0.00	0.00	0.00	0.00
Reduction	5257220.00	659000.00	0.00	5916220.00
Net Change	-5257220.00	-659000.00	0.00	-5916220.00
Indebtedness at the end of the financial year				
i) Principal Amount	115990614.00	1151540.00		117142154.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
iv) Interest paid	0.00	0.00	0.00	0.00
Total (i+ii+iii+iv)	115990614.00	1151540.00		117142154.00

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	VIJAY SHAH	ALPABEN SHAH	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	0
	others (specify)	0	0	0
5	Others, please specify			
	Total (A)	0	0	0

	Ceiling as per the Act	The Managerial remuneration is within the ceiling limits as per the Act
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II. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		-----	----	
1	Independent Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non-Executive Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	0	0	0

III. Remuneration to key managerial personnel other than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary	0	0	2,75,000	2,75,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit				
	others, specify...				
5	Others, please specify	0	0	0	0

	Total	0	0	2,75,000	2,75,000
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7. 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					
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

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

Sd/-
Vijay C. Shah
Managing Director
DIN: 02895347

Sd/-
Alpa V. Shah
Wholetime Director
DIN: 02887435

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 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,
SONA HI SONA JEWELLERS (GUJARAT) LIMITED
7, Millenium Plaza, Opp. Swaminarayan Mandir,
Mansi Cross Road, Vastrapur,
Ahmedabad – 380013.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SONA HI SONA JEWELLERS (GUJARAT) LIMITED (CIN: L36910GJ2010PLC059513) (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 my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to me, 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 and Overseas Direct Investment **(Not applicable to the Company during the audit period);**
 - v) The following Regulations and Guidelines prescribed under 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, 2009/2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the 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 (Buyback of Securities) Regulations, 1998/2018; **(Not applicable to the Company during the audit period);**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Uniform Listing Agreement of the Company entered into with NSE Emerge SME Platform;

I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (SS -1 and SS - 2).

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company namely:

- a) The Trade Mark Act, 1999;
- b) The Bureau of Indian Standards Act, 2016 erstwhile Bureau of Indian Standards Act, 1986
- c) The Legal Metrology Act, 2009

-
- d) The BIS Scheme for hallmarking of Gold & Silver Jewellery
 - e) The Standards of Weights & Measures Act, 1976

During the period under review, the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

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

I further report that -

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, environmental laws and such other laws as applicable to the company.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per verification of the minutes of the Meetings duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Board of Directors and Senior Management;

I further report that during the period under review, following events occurred which are having a major bearing on the Company affairs –

The company had increased the Authorized Share Capital of the Company from Rs. 10,10,00,000/- divided into 1,01,00,000 equity shares of Rs. 10/- each to Rs. 28,00,00,000/- divided into 2,80,00,000 equity shares of Rs. 10/- each, by creating 1,79,00,000 equity shares of Rs. 10/- each ranking paripassu in all respect with the existing Equity Shares of the Company in the extra ordinary general meeting held on May 10, 2019.

The company had allotted 15,66,000 equity shares of Rs. 13.5/- each having a nominal value of Rs. 10/- at a premium of Rs. 3.5/- per share, in lieu of subscription monies of Rs. 2,11,41,000/- on June 17, 2019 through preferential allotment.

The company had allotted 34,34,000 equity shares of Rs. 13.5/- each having a nominal value of Rs. 10/- at a premium of Rs. 3.5/- per share, in lieu of conversion of unsecured loan into equity shares of Rs. 4,63,59,000/- on June 17, 2019.

In the month of October 2019, the company conducted SME IPO and got its shares listed at NSE Emerge (SME Segment) on October 15, 2019.

In the said IPO 45,00,000 equity shares were freshly issued and allotted at Rs. 10/- per share. This resulted in corresponding change in the capital structure of the Company.

Place: Ahmedabad

Date: 31/08/2020

For, Disha Barot & Associates

Company Secretaries

Disha Barot

(Proprietor)

Membership No.: A55042

UDIN: A055042B000636535

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

To,
The Members,
SONA HI SONA JEWELLERS (GUJARAT) LIMITED
7, Millenium Plaza, Opp. Swaminarayan Mandir,
Mansi Cross Road, Vastrapur,
Ahmedabad – 380013.

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 31/08/2020

For, Disha Barot & Associates
Company Secretaries

Disha Barot
(Proprietor)
Membership No.: A55042
UDIN: A055042B000636535

**ANNEXURE- IV
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:
Mr. Vijay C. Shah	Managing Director	Rent Paid	1 year	-	01/04/2019	
Mrs. Rupal J. Shah	Relative of KMP	Rent Paid	1 year	-	01/04/2019	

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

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

Sd/-
Vijay C. Shah
Managing Director
DIN: 02895347

Sd/-
Alpa V. Shah
Wholetime Director
DIN: 02887435

ANNEXURE-V

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.	Mr. Vijay C. Shah Managing Director	0	-	-
2.	Mrs. Alpa V. Shah Wholetime Director	0	-	-

A. Remuneration of Non-Executive Directors:

Sr. No.	Name of Director	Designation	% increase in Remuneration in year ended 31, March 2020
3.	Mr. Niravbhai A. Shah	Independent & Non Executive Director	-
4.	Mr. Manish M. Jain	Independent & Non Executive Director	-
5.	Mr. Jugal R. Dave	Independent & Non Executive Director	-

No remuneration was paid to any Independent & Non- Executive Directors in the year 2019-20.

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 KMP	Designation	% increase in Remuneration in year ended 31 March 2020
6.	Mrs. Alpa V. Shah	Chief Financial Officer	-
7.	Mrs. Falak B. Patel	Company Secretary	-

- 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
- The percentage increase in the median remuneration of employees in the financial year 2019-20 (approx.).- NA
- The number of permanent employees on the rolls of Company in the financial year 2019-20: 9 Employees
- 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
- 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.

By the order of Board of Directors,
Sona Hi Sona Jewellers (Gujarat) Limited

Registered office:

7, Millenium Plaza, Opp. Swaminarayan,
Mandir, Mansi Cross Road, Vastrapur,
Ahmedabad – 380015

Sd/-
Vijay C. Shah
Managing Director
DIN: 02895347

Sd/-
Alpa V. Shah
Wholetime Director
DIN: 02887435

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SONA HI SONA JEWELLERS (GUJARAT) LIMITED

I. Report on the Financial Statements

1. Opinion

- A. We have audited the accompanying Financial Statements of SONA HI SONA JEWELLERS (GUJARAT) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity 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.
- B. 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. 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 on the Financial Statements.

3. Emphasis of Matter

We draw your attention to Note-24 to the Financial Results which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were 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, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit matter	How our audit addressed the key audit matter
<p>Existence and Valuation of Inventory:</p> <p>The Company has an inventory balance of Rs. 143,354,823 as disclosed note 26 of the accompanying financial statements, Refer note 26 for the accounting policy adopted by the management with respect to inventory balance.</p> <p>With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>In addition to the physical verification performed by the management with the help of an independent professional gemologist, the lender of company also</p>	<p>As part of our audit procedures:</p> <p>Obtained an understanding of the management's process for physical verification, recognition and measurement of purchase cost of gold, diamonds and cost of manufactured jewellery items.</p> <p>Evaluated the design and tested the operating effectiveness of control implemented by the company with respect to such process including control around safeguarding the high value of inventory items.</p> <p>Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management.</p>

conduct stock counts, on regular basis throughout the year.

With respect to valuation of the inventory, the company purchased into the respective cost categories purchase into the respective cost categories defined by the management based on price based and other physical characteristics of the diamonds.

Due to the COVID-19 related lockdown, we were not able to attend the Management's year end physical verification of inventory considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation involved in valuation of inventory, the existence and valuation of inventory has been determined as key audit matter for the current year audit.

On sample basis, tested invoice and other underlying records to validate the costs and characteristics basis which the inventory is categorized for inventory management and valuation.

Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on these Standalone Financial Results. Our report on the Statement is not modified in respect of the above matters.

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

- A. 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.
- B. 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.

6. Management's Responsibility for the Financial Statements

- A. 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.
- B. 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.

7. Auditor's Responsibilities for the Audit of the Financial Statements

- A. 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.

-
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of 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.
 - ii) 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 with reference to financial statements in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) 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.
 - v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. 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.

- D. 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.
- E. 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.
- F. 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

II. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - D. In our opinion, the aforesaid financial statements comply with the Ind AS 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 with reference to financial statements 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 with reference to financial statements.
- 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:

The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements

The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

There has been no delay in transferring amounts, 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, J S SHAH & CO
Chartered Accountants
Firm Registration Number: 132059W

Sd/-
CA JAIMIN S SHAH
Partner
Membership Number: 138488
UDIN: 20138488AAAACO9793

Date: 25/07/2020
Place: Ahmedabad

Annexure “A” to the Independent Auditor’s Report – 31st March, 2020

Independent Auditors' report on the financial statements of SONA HI SONA JEWELLERS (GUJARAT) LIMITED for the year ended 31st March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph I(A)(t) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SONA HI SONA JEWELLERS (GUJARAT) LIMITED ("the Company") as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent

SONA HI SONA JEWELLERS (GUJARAT) LIMITED

applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods

are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For, J S SHAH & CO
Chartered Accountants
Firm Registration Number: 132059W

Sd/-
CA JAIMIN S SHAH
Partner
Membership Number: 138488
UDIN: 20138488AAAACO9793

Date: 25/07/2020
Place: Ahmedabad

Annexure “B” to the Independent Auditor’s Report – 31st March, 2020

(Referred to in our report of even date)

With reference to the “Annexure B” referred to in the Independent Auditor’s Report to the members of the Company on financial statements for the year ended 31 March 2020, we report the following:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us including registered titled deeds, we report that, the title deeds, comprising of all of immovable properties of land and buildings which are freehold, are held in the name of the Company as at Balance sheet date.

Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

According to the information and explanation given to us, the company has not granted any loans or unsecured loan to companies, firm, limited liabilities partnerships or either parties covered in the register maintained u/s 189 of the companies Act, 2013.

In our opinion and according to the information and explanations given to us, and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, with respect to loans granted and investments made by the Company. The Company has not provided any guarantee or security during the year to the parties covered under section 185 and 186 of the Act. Accordingly, compliance under section 185 and 186 of the Act in respect of providing guarantees or securities is not applicable to the company.

In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks, financial institutions and government. The Company did not have any dues to debenture holders during the year.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised money by way of initial public offer during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purpose for which they were raised.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year under consideration.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For, J S SHAH & CO
Chartered Accountants
Firm Registration Number: 132059W

Sd/-
CA JAIMIN S SHAH
Partner
Membership Number: 138488
UDIN: 20138488AAAACO9793

Date: 25/07/2020
Place: Ahmedabad

SONA HI SONA JEWELLERS (GUJARAT) LIMITED
Balance Sheet as at 31st March 2020
(Amount in Rs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1678,53,500	728,53,500
(b) Reserves and surplus	2	438,50,419	255,07,313
(c) Money received against share warrants		0	0
2 Share application money pending allotment		0	0
3 Non-current liabilities			
(a) Long-term borrowings	3	11,51,540	18,10,540
(b) Deferred tax liabilities (Net)		1,02,535	0
(c) Other Long term liabilities		0	0
(d) Long-term provisions		0	0
4 Current liabilities			
(a) Short-term borrowings	4	1159,90,614	1212,47,834
(b) Trade payables	5	0	0
(c) Other current liabilities	6	2,52,964	1,68,750
(d) Short-term provisions	7	18,46,207	15,30,000
TOTAL		3310,47,779	2231,17,937
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		9,19,804	7,60,993
(ii) Intangible assets		23,661	47,321
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments	9	9,50,000	9,50,000
(c) Deferred tax assets (net)		0	53,553
(d) Long-term loans and advances		0	0
(e) Other non-current assets	10	10,32,000	4,53,000
2 Current assets			
(a) Current Investments		0	0
(b) Inventories	11	1437,45,107	1484,28,645
(c) Trade receivables	12	1819,48,653	696,55,780
(d) Cash and cash equivalents	13	13,00,483	19,73,165
(e) Short-term loans and advances	14	6,33,071	5,68,980
(f) Other current assets	15	4,95,000	2,26,500
TOTAL		3310,47,779	2231,17,937

See accompanying notes to the financial statements
As per our Audit Report of even date attached herewith

FOR J S SHAH & Co
Chartered Accountants
(F.R.NO. 132059W)

For and on behalf of
SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Jaimin S. Shah
Partner
Mem. No. : 138488
Place : Ahmedabad
Date : 25/07/2020

Falak B. Patel
Company Secretary
Mem.No.:A52579

Vijay C. Shah
(DIN: 02895347)
Managing Director

Alpa V. Shah
(DIN: 02887435)
Wholtime Director & CFO

SONA HI SONA JEWELLERS (GUJARAT) LIMITED
Statement of Profit and loss for the year ended 31st March 2020

(Amount in Rs)

Particulars		Refer Note No.	31st March,2020	31st March,2019
I.	Revenue from operations	16	9434,80,442	6717,98,478
II.	Other income	17	-	139
III.	Total Revenue (I + II)		9434,80,442	6717,98,617
IV.	Expenses:			
	Purchases of Stock-in-Trade	18	9163,82,557	6377,99,550
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	46,83,538	105,71,514
	Employee benefits expense	20	21,34,553	9,75,255
	Finance costs	21	144,76,890	153,32,549
	Depreciation and amortization expense		3,86,781	3,56,596
	Other expenses	22	39,59,019	16,87,211
	Total expenses		9420,23,338	6667,22,675
V.	Profit before exceptional and extraordinary items and		14,57,104	50,75,942
VI.	Exceptional items			
	Net Gain/ Loss On sale of Fixed Asset		-	-
VII.	Profit before extraordinary items and tax (V - VI)		14,57,104	5075942
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		14,57,104	50,75,942
X	Tax expense:	23	6,13,999	14,17,440
	(1) Current tax		4,57,911	15,11,019
	(2) Deferred tax		1,56,088	-93,579
XI	Profit (Loss) for the period from continuing operations		8,43,106	36,58,502
XII	Profit/(loss) from discontinuing operations		0	0
XIII	Tax expense of discontinuing operations		0	0
XIV	Profit/(loss) from Discontinuing operations (after tax)		0	0
XV	Profit (Loss) for the period (XI + XIV)		8,43,106	36,58,502
XVI	Earnings per equity share:			
	(1) Basic	1(a)	0.05	0.50
	(2) Diluted	1(a)	0.12	0.50

See accompanying notes to the financial statements

As per our Audit Report of even date attached herewith

FOR J S SHAH & Co
Chartered Accountants
(F.R.NO. 132059W)

For and on behalf of
Sona Hi Sona Jewellers (Gujarat) Limited

Jaimin S. Shah
Partner
Mem. No. : 138488
Place : Ahmedabad
Date : 25/07/2020

Falak B. Patel
Company Secretary
Mem.No.:A52579

Vijay C. Shah
(DIN: 02895347)
Managing Director

Alpa V. Shah
(DIN: 02887435)
Wholtime Director & CFO

SONA HI SONA JEWELLERS (GUJARAT) LIMITED
Cash Flow Statement for the year ended 31st March 2020

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	Cashflow from Oprating Activities		
	Net Profit before Tax as per Profit & Loss Account	1457104	5075945
	Adjustment For:		
	Depreication Expense	386781	356593
	Priliminaary expenses w/off	495000	226500
	Deferred Tax	(156088)	0
	Interest Expense	14476890	15332549
		15202584	15915641
	Operating Profit before changes in working Capital	16659688	20991586
	Adjustment for:		
	Trade Receivables	(112292874)	(11677479)
	Loans & Advances	(64092)	442913
	Inventories	4683537	11713528
	Other Current Assets	(268500)	0
	Other non current assets	(1074000)	0
	Current liabilities & Provisions	400421	49954
		(108615507)	528916
	Cash generated from Operations	(91955819)	21520502
	Taxes Paid	301815	1321019
	Priliminary expense incurred	0	11
	Cash flow from operating activities	(92257634)	20199472
B	Cash Flow from Investing Attivties		
	Purchase of Fixed Assets	(521932)	(35857)
	Cash flow from investing activities	(521932)	(35857)
C	Cashflow from Financing Activities		
	Proceeds from issue of share capital	95000000	0
	Proceeds from long term borrowings	(659000)	1700000
	Interest Expense	(14476890)	(15302635)
	Short Term Borrowings from Bank	(5257225)	(6463081)
	Proceeds from share premium	17500000	0
	Cash flow from financing activities	92106885	(20065716)
	Net Increase in Cash & Cash Equivalent	(672681)	97899
	Opening balance of Cash & Cash Equivalent	1973165	1875266
	Closing balance of Cash & Cash Equivalent	1300483	1973165

For, J S SHAH & co.
Chartered Accountants
FRN: 132059W

For and on behalf of
SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Jaimin S. Shah
Partner
Mem. No. : 138488
Place : Ahmedabad
Date: 25-07-2020

Falak B. Patel
Company Secretary
Mem.No.:A52579

Vijay C. Shah
(DIN: 02895347)
(Managing Director)

Alpa V. Shah
(DIN: 02887435)
Wholetime Director & CFO

Notes on Financial Statements For The Year Ended 31st March, 2020

Note 1

Share capital

Share Capital	2019-20		2018-19	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each (During the previous year the authorised share capital of the company has increased to Rs 28.00 crore from Rs 10.10 crore)	28000000	280000000	10100000	101000000
Issued				
Equity Shares of Rs. 10/-each 16785350 (7285350) shares of Rs 10 each were issued in the previous year)**	16785350	167853500	7285350	72853500
Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid (In the previous year all the issued shares i.e.16785350 (7285350) shares were subscribed as mentioned in the notes below.)**	16785350	167853500	7285350	72853500
Subscribed but not fully Paid up	0	0	0	0
Total	16785350	167853500	7285350	72853500

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2019-20		2018-19	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7285350	72853500	7285350	72853500
Shares Issued during the year	9500000	95000000	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	16785350	167853500	7285350	72853500

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

Name of Shareholder	2019-20		2018-19	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Alpa V Shah	1789700	10.66	1597700	21.93
Jayesh C Shah	1050000	6.26	1050000	14.41
Jirawala Associations	2173500	12.95	2173500	29.83
Shah Chinubhai Jayantibhai	1314000	7.83	0	0.00
Vijay C Shah	5705400	33.99	2463400	33.81

**Notes :

Total Issued and paid up share capital the company is Rs.167853500 divided into 16785350 Equity Shares of Rs. 10 Each with equal rights. Details of Share issue in previous year is as follow:

- During the year the Initial Publics Officer (IPO) of the company, vide prospectus registered with Registrar of Companies, Ahmedabad, Gujarat on September 21,2019 and the In -principal approval of National Stock exchange of india Limited vide letter dated 09.09.2019, Which is opened for subsription on September 30,2019 and Closed on October 04,2019 for retails individual investors, Non -Institutional Inventors, and Market Maker, Comparising of 45,00,000 Equity Shares of face value of Rs. 10/- per equity Share.
- During the year Company allotted 50,00,000 of Share of Rs. 13.5/- each having nominal value of Rs. 10 each at a premium of Rs. 3.5/- Per Share.
- Out of above 50,00,000 shares 15,66,000 shares were allotted on preferential basis at issue price of Rs 13.5 each having nominal value of Rs. 10 each at a premium of Rs. 3.5/- Per share. And there is Conversion of loan in Equity of 34,34,000 Shares at a price of Rs. 13.5 each having nominal value of Rs. 10 each at a premium of Rs. 3.5/- Per share.

Note 2

Reserves and surplus

	2019-20	2018-19
a. Securities Premium Account		
Opening Balance	14818940	14818940
Add : Securities premium credited on Share issue	17500000	
<u>Less : Premium Utilised for various reasons</u>	0	0
Premium on Redemption of Debentures		
For Issuing Bonus Shares		
Closing Balance	32318940	14818940
b. General Reserve		
Opening Balance	0	0
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	0	0
c. Surplus		
Opening balance	10688373	7029869
(+) Net Profit/(Net Loss) For the current year	843106	3658504
Closing Balance	11531479	10688373
Total	43850419	25507313

Note 3

Long Term Borrowings

	2019-20	2018-19
<u>Unsecured</u>		
Loans from related parties	1151540	1810540
Total	1151540	1810540

Note 4

Short Term Borrowings

	2019-20	2018-19
<u>Secured</u>		
From banks*		
(a) Rupee Loans(From corporation Bank)	115990614	121247834
(b) Foreign Currency Loans	0	0
	115990614	121247834
<u>Unsecured</u>		
	0	0
Total	115990614	121247834

***Secured By :** Working capital facilities are Primarily secured by Stock and Book Debts and collaterally secured by residential property jointly owned by Mr. Vijay C Shah and Mrs. Alpa V Shah, directors of the company, along with Open land owned by Mr. Chinubhai J Shah, the relatives of Director. Also the said loan is personally guaranteed by Mr. Vijay C Shah and Mrs. Alpa V Shah along with Mr. Chinubhai Shah.

Note 5

Trade Payables

	2019-20	2018-19
(a) Due to Micro, Small & Medium Enterprises	0	0
(b) Others	0	0
Total	0	0

Note 6

Other Current Liabilities

	2019-20	2018-19
Other Payables		
(a) Statutory Liabilities	206084	101250
(c) Sundry Creditors For Expenses	46880	67500
Total	252964	168750

Note 7

Short Term Provisions

	2019-20	2018-19
(a) Provision for employee benefits		
Salary & Reimbursements	83200	0
(b) Others		
Provision For Taxation	427830	1500000
Provision for Interest	1247084	0
Other Provision	8093	0
Provision For Audit Fees	80000	30000
Total	1846207	1530000

Note 8

Fixed Asset

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
		Balance as at 1 April 2019	Additions/ (Disposals)	Acquired through business combinat	Revaluat ions/ (Impair ments)	Balance as at 31 March 2020	Balance as at 1 April 2019	Dep.charge for the year	Adjustment due to revaluations	On dispos als	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
a	Tangible Assets												
	Furniture and Fixtures	81749	-	-	-	81749	64935	8847	-	-	73782	7967	16814
	Vehicles	2306591	-	-	-	2306591	1621045	283135			1904180	402411	685546
	Office Equipment	224862	5,21,932	-	-	746794	166229	71140	-	-	237368	509426	58633
	Total	2613202	5,21,932	-	-	3135134	1852209	363121	-	0	2215330	919804	760993
b	Intangible Assets	4,73,227	-	-	-	473227	4,25,906.40	23,660	-	-	449566	23661	47321
	Total	4,73,227	-	-	-	4,73,227.00	4,25,906.40	23,660	-	-	4,49,566	23,661	47,321
	Total	3086429	521932	0	0	3608361	2278115	386781	0	0	2664897	943464	808314
	Previous Year	30,50,572	35,857.00	-	-	3086429	19,21,523	356593	-	-	2278116	808313	11,29,049

Note 9**Non-current investments**

	Particulars	2019-20	2018-19
	Other Investments (Refer B below)		
	(a) Investment Properties	-	-
	(b) Investment in Equity instruments		
	Aggregate amount of quoted investment	-	-
	Aggregate amount of unquoted investment		
	Laxmi Goldorna House Ltd		
	950000 Shares of Rs.10 each	950000	950000
	Total Investment	950000	950000
	Total	9,50,000	9,50,000
	Less : Provision for dimution in the value of Investments	-	-
	Total	9,50,000	9,50,000

Note 10**Other non-current assets**

	2019-20	2018-19
Other non-current Assets	1032000	453000
Total	1032000	453000

Note 11**Inventories**

	2019-20	2018-19
d. Stock-in-trade		
Valued At Cost	143745107	148428645
Total	143745107	148428645

Note 12**Trade Receivables**

	2019-20	2018-19
Unsecured, considered good		
Receivables for a period exceeding 6 months	0	0
Others	181948653	69655780
Total	181948653	69655780

Note 13**Cash and cash equivalents**

	2019-20	2018-19
a. Balances with banks	15000	0
b. Cheques, drafts on hand	0	0
c. Cash on hand	1285483	1973163
Total	1300483	1973163

Note 14**Short Term Loans and Advances**

	2019-20	2018-19
<u>Unsecured, Considered good</u>		
Other Short Term Advances to be recovered in cash or kind	633071	568980
Total	633071	568980

Note 15**Other current assets**

	2019-20	2018-19
Preliminary Expenses to the extent due within 12 months from reporting date	495000	226500
Total	495000	226500

Note 16**Revenue from operations**

Particulars	2019-20	2018-19
Sale of products	943480442	671798478
Total	943480442	671798478

Note 17**Other Income**

Particulars	2019-20	2018-19
Interest on Income Tax refund	0	0
Vatav-Kasar received	0	139
Total	0	139

Note 18**Purchases of Stock-in-Trade**

Particulars	2019-20	2018-19
Purchases of Finished Goods	0	0
Purchases of Traded Goods	916382557	637799550
Total	916382557	637799550

Note 19**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

Particulars	2019-20	2018-19
Inventories At Commencement		
Work-in-Process	0	0
Finished Goods	0	145819815
Traded Items	148428645	13180344
Inventories At Close		
Work-in-Process	0	0
Finished Goods	0	0
Traded Items	143745107	148428645
Total	4683538	10571514

Note 20
Employee Benefits Expense

Particulars	2019-20	2018-19
(a) Salaries and incentives	2134553	975255
(b) Contributions to - Provident fund, Superannuation Scheme, Etc.	0	0
(c) Gratuity fund contributions	0	0
(d) Social security and other benefit plans for overseas employees	0	0
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	0	0
(f) Staff welfare expenses	0	0
Total	2134553	975255

Note 21
Finance costs

Particulars	2019-20	2018-19
Interest expense	13491857	14793149
Other borrowing costs	985033	539400
Total	14476890	15332549

Note 22
Other expenses

Particulars	2019-20	2018-19
Rent	480000	480000
Repairs to machinery	56753	89770
Insurance	116334	110671
Labour Exp.	0	0
Rates and taxes, excluding, taxes on income	27447	21460
Audit Fees	50000	30000
Other expenses	2733485	728810
Preliminary Expenses w/off	495000	226500
Total	3959019	1687211

Note 23
Tax Expense

Particulars	2019-20	2018-19
Income Tax	427830	1500000
Deferred Tax	156088	(93579)
Excess/Short Provision Of Income Tax of Earlier Years	30081	11019
Total	613999	1417440

NOTE 24: SIGNIFICANT ACCOUNTING POLICIES:-

The Significant accounting policies to the extent applicable the companies are as under:

(i) Background of Company:

Company is engaged in manufacturing and trading business. It manufactures gold and ornaments from gold bullions. It also purchases gold ornaments, silver ornaments, silver utensils, diamond jewellery, platinum and sells them. It is situated at 7, Millennium Plaza, Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad

(ii) Historical Cost Basis :-

The financial statements are prepared under the historical cost convention on accrual basis and ongoing concern basis and in accordance with the generally accepted accounting principles. According to standards issued by the Institute of Chartered Accountants of India, as applicable and relevant presentation requirements of the Companies Act, 2013.

(iii) Use of Estimates :-

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liability as at the date of the financial statements and reported amounts of income and expenses like provision for doubtful debts, allowances for slow or non-moving inventories, useful lives of fixed assets, provision for taxation and provision of employee benefits, etc., during the period. Management believes the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

(iv) Revenue Recognition :-

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the enterprise and as and when all the following points are satisfied:-

- Sales are recognized, net of return and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude GST.

- Revenue from contracts prices on time and material basis are recognized when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognized when probable.

Revenue from Sales of Goods is recognized as per Accounting Standard-9 : Revenue Recognition

(v) Retirement and other Employees Benefits :

No Provision for retirement benefits for employees has been made since the Gratuity Act. Provident Fund Act not applicable to the company. And the company has adopted PAY-AS-YOU- GO method for the Payment of other retirement benefits if any payable to the employees.

(vi) Provisions and Contingent liabilities :-

- 1) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if-
 - a) The Company has a present obligation as a result of a past event.
 - b) Probable outflow of resources is expected to settle the obligation and
 - c) The amount of obligation can be reliably estimated
- 2) Contingent liability is stated in the case of:
 - a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b) A possible obligation, unless the probability of outflow of resources is remote.
- 3) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.
- 4) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India.

(vii) Property, Plant and equipment :-

- 1) Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

- 2) Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.
- 3) If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- 4) Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Depreciation:

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other current assets.

(viii) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Recognition and measurement

Upon initial recognition, an investment property is measured at cost only and no depreciation charge over it. At the time sale of that property it treated as Capital assets and Capital gain income recognition.

(ix) Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies and receiving charges.

(x) Accounting for Taxes of Income :-

A) Current Tax

Provision for current income tax is made in accordance with provision of Income Tax Act 1961.

B) Deferred tax

Provision for deferred tax is calculated at the current rate of Income Tax rates enacted or substantially enacted as at the balance sheet date and is recognized on timing difference, being the difference between taxable income and accounting income that origin in one period and are capable of reversal in one or more subsequent period.

Deferred tax asset, subject to the consideration of prudence is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax asset can be set off.

(xi) Assets and Liabilities:

The balances under sundry debtors, sundry creditors, deposits, loans and advances payable/ receivable are mainly confirmed with parties. However certain balances are subject to confirmation.

In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

Adequate provision has been made for all known liabilities and that the provisions are not in excess of the amount reasonably necessary.

(xii) Impairment of Assets:

Assessment is done at each balance sheet date as to whether there is any indication that an asset (Tangible and Intangible) may be impaired for the purpose of assessing impairment the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating units if any such indication exists and estimation of the recoverable amount of the assets/cash generating unit is made. Assets whose carrying amount exceeds their recoverable amount are written down to recoverable amount. Recoverable amount is higher of an asset or Cash generating unit's net selling price and its

value in use in the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

(xiii) Borrowing Cost:

As required by Accounting Standard 16 'Borrowing Costs', the Company needs to Capitalized the Interest Cost of the funds raised through related parties and financial institutions. No information is available about loan for which purpose it has been taken. Hence, whole interest cost is transferred to Profit & Loss A/c.

(xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(xv) Earning Per Share

Description	Current Year (2019-20)	Previous Year (2018-19)
Profit after tax (Rs.)	843105	3658502

Profit attributable to ordinary Shareholders (Rs.)	843105	3658502
Weighted Avg. No. of Equity Shares	16785350	7285350
Basic Earning per share	0.05	0.50
Nominal Value Per Equity Share (Rs.)	10	10

(xvi) Disclosure on Covid 19

Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions

The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Company's financial results as of and for the year ended 31st March 2020.

OTHER NOTES ON ACCOUNT :-

25. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

26. Paisa is rounded up to the nearest rupee.

27. Previous year's figures have been regrouped, reclassified, restated or re-casted wherever necessary to make them comparable with current year's figure or for proper presentation.
28. In the opinion of the management, the current assets, loans and advances are approximately of the value stated in the Balance Sheet if realized in the ordinary course of business.
29. Balance of Sundry creditors, debtors, loans and advances are subject to confirmation.
30. The audit has been carried out on the basis of the fresh computerized output reconciled.
31. We are unable to categories the dues to small scale Industries (SSI) separately due to lack of information regard to the status of the creditors for goods outstanding as on the balance sheet date.

32. Related Party Disclosures under :- (AS-18)

A. Related Party:

- a. Key Management of Company:
 Alpaben Vijaybhai Shah
 Vijay Chinubhai Shah
 Niravbhai Arvindbhai Shah
 Manish M. Jain
 Jugal Rajendrakumar Dave

B. The following transactions were carried out with related parties in the ordinary course of business:

Related Party Transaction	Key Management
Transaction During the Period	
A. Rent Paid	Rs. 4,80,000/-
B. Loan Received during the year	Rs. 11,51,540/-

33. Note 1 & 33 forms the integral part of the Balance sheet as at 31st March 2020 and Profit & Loss Account for the year ended on that date.

As per our attached report of even date,

For, J S SHAH & Co.
Chartered Accountants
(FRN: 132059W)

For and on behalf of
Sona Hi Sona Jewellers (Gujarat) Limited.

CA JAIMIN S SHAH
Partner
M.NO. 138488
UDIN: 20138488AAAACO9793

Vijay C. Shah
Managing Director
DIN: 02895347

Alpa V. Shah
Wholetime Director
DIN: 02887435

Place : Ahmedabad
Date : 25th July, 2020