



**SONA HI SONA** JEWELLERS  
(GUJARAT) LTD.

CIN : L36910GJ2010PLC059513 | GSTIN : 24AAOCS1450R1ZT

Freya

JINANSH

Date: 03/09/2022

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

NSE Scrip Symbol: **SONAHISONA**

Dear Sir/ Madam

**Subject: SUBMISSION OF ANNUAL REPORT FOR THE YEAR ENDED AS ON 31<sup>ST</sup> MARCH, 2022**

In compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 we hereby submit copy of 13<sup>th</sup> Annual Report for the financial year 2021-22.

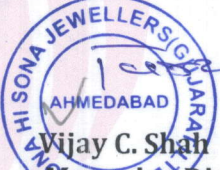
The annual report will be sent to the shareholders of company whose email id is registered with the company/Depository participant. The shareholders whose email id is not registered with the company may demand annual report copy through request sent at Email at [cs@sonahisona.com](mailto:cs@sonahisona.com).

The Annual report is also available at the website of company at [www.sonahisona.com](http://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**  
Managing Director  
DIN: 02895347



# SONA HI SONA

**SONA HI SONA JEWELLERS (GUJARAT) LIMITED**

CIN: L36910GJ2010PLC059513



## JINANSH



## Freya

**ANNUAL REPORT 2021-22**

## 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 09<sup>th</sup> 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 19<sup>th</sup> 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

<b><u>BOARD MEMBERS</u></b>	<b><u>REGISTERED OFFICE</u></b>
	7, Millennium Plaza,
<b>Mr. Vijay Shah</b>	Opp, Swaminarayan Mandir,
Managing Director	Mansi Cross Road, Vastrapur,
	Ahmedabad – 380015, Gujarat
<b>Mrs. Alpa Shah</b>	
Wholetime Director	<b><u>CORPORATE IDENTIFICATION NUMBER</u></b>
	L36910GJ2010PLC059513
<b>Mr. Nirav Shah</b>	
Non- Executive Independent Director	<b><u>WEBSITE</u></b>
	<a href="http://www.sonahisona.com">www.sonahisona.com</a>
<b>Mr. Manish Jain</b>	
Non- Executive Independent Director	<b><u>INVESTOR SERVICE EMAIL-ID</u></b>
	cs@sonahisona.com
<b>Mr. Jugal Dave</b>	
Non- Executive Independent Director	<b><u>BANKERS TO THE COMPANY</u></b>
	UNION BANK OF INDIA
<b><u>STATUTORY AUDITOR</u></b>	
<b>M/s. J S Shah &amp; Co.</b>	<b><u>REGISTRAR &amp; TRANSFER AGENT</u></b>
Chartered Accountants, Ahmedabad	<b>Link Intime India Pvt. Ltd.</b>
	C-101, 247 Park LBS Marg,
<b><u>INTERNAL AUDITOR</u></b>	Vikhroli West,
<b>M/s. Dipesh Chokshi &amp; Co.</b>	Mumbai – 400083,
Chartered Accountants, Ahmedabad	Maharashtra
<b><u>SECRETARIAL AUDITOR</u></b>	
<b>M/s. Disha Barot &amp; Associates,</b>	
Practicing Company Secretaries,	
Ahmedabad	
<b><u>KEY MANAGERIAL PERSONNEL</u></b>	
<b>Mrs. Alpa Shah</b>	
Chief Financial Officer	
<b>Mrs. Falak Patel</b>	
Company Secretary & Compliance Officer	

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## **NOTICE TO MEMBERS**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of Sona Hi Sona Jewellers (Gujarat) Limited will be held on Thursday, 29<sup>th</sup> day of September, 2022 at 03:00 p.m. at the registered office of the company situated 7, Millennium Plaza, Opp, Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad – 380015, Gujarat through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on March 31, 2022 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, 2022 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.”

### **SPECIAL BUSINESS:**

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

Re-appointment of Mr. NIRAVBHAI ARVINDBHAI SHAH (DIN: 07868247) as Independent Director of the Company:

**“RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the approval of the Shareholders

of the Company be and is hereby accorded for re-appointment of Mr. NIRAVBHAI ARVINDBHAI SHAH (DIN: 07868247) for a second term of 5 (five) consecutive years effective 05<sup>th</sup> July 2022 not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto.”

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

Re-appointment of Mr. MANISH MAHENDRABHAI JAIN (DIN: 07871644) as Independent Director of the Company:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded for re-appointment of Mr. MANISH MAHENDRABHAI JAIN (DIN: 07871644) for a second term of 5 (five) consecutive years effective 18<sup>th</sup> July 2022 not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto.”

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

Re-appointment of Mr. JUGAL RAJENDRAKUMAR DAVE (DIN: 07895716) as Independent Director of the Company:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded for re-appointment of Mr. JUGAL RAJENDRAKUMAR DAVE (DIN: 07895716) for a second term of 5 (five) consecutive years effective 31<sup>st</sup> July 2022 not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto.”

Date: 02/09/2022  
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/-  
Vijay C. Shah  
Managing Director  
DIN: 02895347



**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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM 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 AGM. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the 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 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 AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 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 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 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 AGM has been uploaded on the website of the Company at <http://www.sonahisona.com/>. The Notice can also be accessed from the websites of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com)

respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on 26<sup>th</sup> September 2022, at 09:00 A.M. and ends on 28<sup>th</sup> September 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22<sup>nd</sup> September 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September 2022.

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ section , this will prompt you to

NSDL.

enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.	<p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders 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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 **[cshitarthshah@gmail.com](mailto:cshitarthshah@gmail.com)** with a copy marked to **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sachin Kareliya at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**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:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sonahisona03@gmail.com](mailto:sonahisona03@gmail.com) and [cs@sonahisona.com](mailto:cs@sonahisona.com).
2. 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 ([sonahisona03@gmail.com](mailto:sonahisona03@gmail.com) and [cs@sonahisona.com](mailto:cs@sonahisona.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**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 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.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([sonahisona03@gmail.com](mailto:sonahisona03@gmail.com) and [cs@sonahisona.com](mailto:cs@sonahisona.com)). The same will be replied by the company suitably.

**EXPLANATORY STATEMENT PURSUANT TO PROVISION OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ANNEXURE- I TO NOTICE**

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE  
13<sup>TH</sup> ANNUAL GENERAL MEETING  
[PURSUANT TO REGULATION 36(3) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)REGULATIONS, 2015]**

Name of Director	Mrs. Alpaben Vijay Shah	Mr. NIRAVBHAI ARVINDBHAI SHAH	Mr. MANISH MAHENDRABHAI JAIN	Mr. JUGAL RAJENDRAKUMAR DAVE
Date of Birth	10 <sup>th</sup> June 1982	19 <sup>th</sup> July, 1975	15 <sup>th</sup> January 1985	20 <sup>th</sup> February 1982
Age	40 years	47 years	37 Years	40 Years
Date of Appointment	February 09, 2010	05 <sup>th</sup> July 2017	18 <sup>th</sup> July 2017	31 <sup>st</sup> July 2017
Expertise in specific Functional Areas	Having experience in the field of Management and Administrative activity of the company.	Having experiences in the field of Marketing, Management, Strategies and Administration	Having experience in field of finance and accounting as practicing chartered accountant	Having experience in field of management field
Qualifications	Master of Commerce	B. Com	Chartered Accountant	B. Com
Directors in other Public Companies	NIL	Independent Director in LAXMI GOLDORNA HOUSE LIMITED	Independent Director in LAXMI GOLDORNA HOUSE LIMITED	Independent Director in LAXMI GOLDORNA HOUSE LIMITED
Other Positions	Chief Financial Officer of Sona Hi Sona Jewellers (Gujarat) Limited	-	-	-
Membership of Committees in other unlisted Public Companies	NIL	Holding membership of board committees of LAXMI GOLDORNA HOUSE LIMITED in following committees: --AUDIT COMMITTEE	Holding membership of board committees of LAXMI GOLDORNA HOUSE LIMITED in following committees: --AUDIT COMMITTEE	Holding membership of board committees of LAXMI GOLDORNA HOUSE LIMITED in following committees: --NOMINATION AND

		--NOMINATION AND REMUNERATION COMMITTEE --STAKEHOLDER RELATIONSHIP COMMITTEE	--NOMINATION AND REMUNERATION COMMITTEE --STAKEHOLDER RELATIONSHIP COMMITTEE --Committee formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	REMUNERATION COMMITTEE --Committee formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Inter Relationship	Spouse of Mr. Vijay C. Shah, Managing Director	-	-	-
Shares held in the Company as at 31 <sup>st</sup> March, 2022.	17,89,700 /-	0	0	0

Date: 02/09/2022  
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/-  
Vijay C. Shah  
Managing Director  
DIN:02895347

## 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, 2022.

### FINANCIAL SUMMARY

(in ₹)		
Particulars	2021-22	2020-21
Total Revenue	769,842,156	624,553,859
Total Expenditure	768,574,000	622,785,348
Profit /(Loss) Before Tax	12,68,156	17,68,511
Less: Current Tax	(3,58,506)	(5,09,991)
Deferred Tax	(17,166)	28,087
Profit /(Loss) after Taxation	8,92,484	1,286,607
Balance carried to Balance Sheet	8,92,484	1,286,607
Earnings Per Share(EPS)		
Basic	0.05	0.08
Diluted	0.16	0.23

### FINANCIAL HIGHLIGHTS AND OPERATION

The Key highlights pertaining to the business of the company for the year 2021-22 and period subsequent there to have been given hereunder:

- The total revenue of the Company during the financial year 2021-22 was ₹ 769,842,156 against the total revenue of ₹ 624,553,859 in the previous financial year 2020-21.
- The total expenses of the Company during the financial year 2021-22 was ₹ 768,574,000 against the expenses of ₹ 622,785,348 in the previous financial year 2020-21.

- The Profit after tax is ₹ 8,92,484 for the financial year 2021-22 as compare to ₹12,86,607 in the previous financial year 2020-21.
- The Directors trust that the shareholders will find the performance of the company for financial year 2021-22 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 2021-22 is ₹ 8,92,484. 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. 2021-22 is transferred 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 is ₹ 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 is ₹ 16,78,53,500 (Rupees Sixteen Crore Seventy Eight Lakh Fifty Three Thousand Five Hundred) divided into 1,67,85,350 (One Crore Sixty Seven lakh Eighty Five Thousand Three Hundred Fifty) equity shares of ₹ 10 each during the year under review.

## **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**

There is no 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 except for 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](http://www.sonahisona.com).

Salient feature of the Policy as follows:

##### **(i) APPOINTMENT & QUALIFICATION:**

- 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.
- 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. Alpa Vijay 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, 2022, the Board of Directors comprise of 5 (Five) Directors.
- During the year under review, there was no change in the key managerial personnel of the Company.

**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:

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



- 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;
- The directors had prepared the annual accounts on a going concern basis;
- 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.
- 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 2021-22, the Board of Directors met 06 times, viz. 05.04.2021, 28.06.2021, 06.08.2021, 12.11.2021, 18.01.2022 & 22.03.2022.

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.

<b>Name of Director</b>	<b>Category</b>	<b>No. of Board Meetings Held &amp; Entitled to Attend</b>	<b>No. of Board Meetings Attended</b>
Mr. Vijay Chinubhai Shah	Chairman & Managing Director	6	6
Mrs. Alpaben Vijaybhai Shah	Wholetime Director	6	6
Mr. Niravbhai Arvindbhai Shah	Independent & Non Executive Director	6	6
Mr. Manish Mahendrabhai Jain	Independent & Non Executive Director	6	6
Mr. Jugal Rajendrakumar Dave	Independent & Non Executive Director	6	6

### MEETING OF AUDIT COMMITTEE:

As per provisions of Section 177 of the Companies Act, 2013 and applicable provisions, the Audit Committee was constituted on 17<sup>th</sup> June, 2019. The Audit Committee met 5 times during the year 2021-22 i.e. on 05.04.2021, 28.06.2021, 17.10.2021, 12.11.2021 and 22.03.2022.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Manish Mahendrabhai Jain	Independent & Non-Executive Director	5	5
Mr. Niravbhai Arvindbhai Shah	Independent & Non-Executive Director	5	5
Mr. Jugal Rajendrakumar Dave	Independent & Non-Executive Director	5	5

### 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 17<sup>th</sup> June, 2019. The Nomination and Remuneration Committee met 1 time during the year 2021-22 i.e. on 17.09.2021.

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	1	1
Mr. Niravbhai Arvindbhai Shah	Independent & Non-Executive Director	1	1
Mr. Manish Mahendrabhai Jain	Independent & Non-Executive Director	1	1

### 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 17<sup>th</sup> June, 2019. The Stakeholder Relationship Committee met 1 time during the year 2021-22 i.e. on 28.06.2021.

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

<b>Members</b>	<b>Category</b>	<b>Meetings held during the tenure of the Directors</b>	<b>Meetings attended</b>
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

#### **MEETING OF INDEPENDENT DIRECTORS**

The independent directors of company met 1 time during the year on 05.02.2021 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.

<b>Members</b>	<b>Category</b>	<b>Meetings held during the tenure of the Directors</b>	<b>Meetings attended</b>
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](http://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:**

The Annual Return of the Company as on March 31, 2022 will be available on the Company's website [www.sonahisona.com](http://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 2021-2022.

### **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 IV".

## 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. Committee formed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under

Members	Category
MRS. ALPABEN VIJAYKUMAR SHAH	Chairman of committee
MR. KSHAMABEN PRAVINKUMAR SHAH	Member of committee
MR. JUGAL RAJENDRAKUMAR DAVE	Member of committee
MR. NIRAVBHAI ARVINDBHAI SHAH	Member of committee

## 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-III 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. 2021-22.

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](http://www.sonahisona.com).

## **AUDITORS:**

### **1. STATUTORY AUDITORS:**

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 11<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting of the company. 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. Hitarth S Shah & Associates (CP. No. 23616), 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 2021-22.

A Secretarial Audit Report for the Financial Year 2021-22 is annexed herewith as Annexure-II 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. Hitarth S Shah & Associates, Ahmedabad, Practicing Company Secretary, in their Secretarial Audit Report for the Financial Year ended March 31, 2022.

## **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 2021-22. 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](http://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 2021-22 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 2021-22.

#### **INVESTOR GRIEVANCES REDRESSAL STATUS:**

During the Financial Year 2021-22, 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](mailto: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. 2021-22 (Amount in Rs.)
Fuels	Rs. 0
Power /electricity	Rs. 30373

##### **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	2021-22	2020-21
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: 02/09/2022  
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/-  
Vijay C. Shah  
Managing Director  
DIN: 02895347

## **ANNEXURE I**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **GLOBAL ECONOMY**

2021 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. Global growth is projected at 3.6% in 2022, moderating to 3.3% in 2023. The projections for 2022 and 2023 are weaker than in the 2021 WEO. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

#### **INDIAN ECONOMY**

On the domestic front, India recorded a growth of 8.2% in its Gross Domestic Product (GDP) during FY 2021-22 vis-à-vis 7.3% in FY 2020-21. On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022–23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies. 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 2022)

#### **INDIA – GEMS & JEWELLERY**

As of February 2021, India's gold and diamond trade contributed 7.5% to India's Gross Domestic Product (GDP) and 14% to India's total merchandise exports. The gems and jewellery sector is likely to employ 8.23 million persons by 2022, from 5 million in 2020.

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.

The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India.

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.

## 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 gems and jewellery market size was at US\$ 78.50 billion in FY21.

Growth in exports is mainly due to revived import demand in the export market of the US and fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC.

From April 2021-January 2022, India's overall exports of gems stood at US\$ 32.37 billion, which is a 69.13% growth as compared to same period last year. In January 2022, India's overall gems and jewellery exports grew at 23.66% YoY to US\$ 3.28 billion. India's gems and jewellery exports are likely to reach US\$ 40 billion in 2021-22 growing at 6.5% growth over pre-covid levels. The Government of India is aiming at US\$ 70 billion in jewellery export in the next five years (until 2025), up from US\$ 35 billion in 2020.

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 gold demand stood at 797.30 tonnes in 2021 and is expected to be in a range of 800-850 tonnes by 2022.

Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,194.00 million between April 2000 and June 2021 according to the Department for Promotion of Industry and Internal Trade (DPIIT).

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.

(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**

In the coming years, growth in gems and jewellery sector would largely be contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1–2% of the fine jewellery segment by 2021–22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low-cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

(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, 2022 is as below:

Particulars	2021-22	2020-21
Total Revenue	769,842,156	624,553,859
Total Expenditure	768,574,000	622,785,348
Profit /(Loss) Before Tax	12,68,156	1,768,511
Less: Current Tax	(3,58,506)	(509,991)
Deferred Tax	(17,166)	28,087
Profit /(Loss) after Taxation	8,92,484	1,286,607
Balance carried to Balance Sheet	8,92,484	1,286,607

## 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. MR-3**

**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

*[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**

[CIN: L36910GJ2010PLC059513]

I am appointed by the Board of Directors of SONA HI SONA JEWELLERS (GUJARAT) LIMITED (hereinafter called "the Company") to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2022.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SONA HI SONA JEWELLERS (GUJARAT) LIMITED. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Management's Responsibility for Secretarial Compliances**

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations. My responsibility is to express an opinion on the Secretarial records, Standards and procedures followed by the Company with respect to Secretarial Compliances.

**Secretarial Auditor's Responsibility**

Secretarial Auditor's responsibility is to report to the Board about compliance with the provisions of the Act. The rules made thereunder and other laws applicable to the Company and to express an opinion on the Secretarial records, Standards and procedures followed by the Company with respect to Secretarial Compliances.

For conducting the Audit for the Financial Year 2021-22, I have relied upon the financial data provided by the company officials. I have verified the books of accounts of the Company to form true and fair view on the books of accounts of the Company or any matter incidental thereto. I believe that the audit inspection I have conducted is sufficient and appropriate to provide a basis for my audit opinion. I have obtained management certification/undertaking where I could not verify any data. Moreover, information on the statutory compliance of Income Tax, Goods and Service Tax and other incidental statutes applicable to the Company were duly obtained during the audit period.

## Details of Statutory Auditor & Internal Auditor

Statutory Auditor		Internal Auditor	
Name	M/s J S Shah & Co. Chartered Accountants	Name	M/s. Dipesh Chokshi & Co., Chartered Accountants
Address	15, Municipal Shopping Center, Nr. BSNL Telephone Office, Kankaria, Ahmedabad-380022	Address	1111, Addor Aspire, Nr. Jahnvee Restaurant, Opp. Passport Office, Gujarat University Road, Ahmedabad - 380015.
FRN	132059W	FRN	114533W

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place commensurate with the operations of the Company and 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 SONA HI SONA JEWELLERS (GUJARAT) LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) **The Companies Act, 2013 (the Act) and the rules made there under:** During the Audit exercise, I noted that the Company has maintained statutory registers, minutes books and has entered the transactions in the statutory registers maintained. The Company has also established the whistle blower policy and has formed required sub committees as required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder:** I have noted that the Company has complied with the continuous listing requirements under Rule 19A of the SCRA and other compliance under Rule 19 (2) (b) of the SCRA.
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:** The Company has duly executed the tri partite agreement with NSDL and CDSL and complied with the requirements under Clause 76 of SEBI (Depositories and Participants) Regulations, 2018.

- (iv) **Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:** The Company has received Foreign Direct Investment for public issue during the reporting period, for which our comments are mentioned below under the Observations. As informed to us by the management, there was no Overseas Direct Investment or ECB in the Company during the reporting year.
- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):**
- a) **The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:** The company has duly made disclosure of information regarding documents, forms, returns, notices, certificate, financial results, share holding pattern etc. with the stock exchange during the reporting period.
  - b) **The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:** During the year of reporting, there was no acquisition or disposal of the shares reported under Regulation 29(1). Accordingly, the Company has not made any reporting to the Stock Exchanges on dealing of securities beyond the prescribed limits. Other applicable reporting as required under the said Regulations have been complied with.
  - c) **The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015:** During the reporting period, there are no transactions reported under Regulation 7(2) of the Regulations. All other Disclosure/ Provisions required pursuant to SEBI (Insider Trading Regulations, 2015/1999 have been complied with.
  - d) **The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:** All Disclosure/ Provisions required pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 have been complied with.
  - e) **The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:** Not Applicable to the company during the reporting period.
  - f) **The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:** Not Applicable to the company during the reporting period.
  - g) **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:** Not Applicable to the company during the reporting period.

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:** Not Applicable to the company during the reporting period.
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:** Not Applicable to the company during the reporting period.
  - j) Direct and Indirect Tax laws including The Income Tax Act, 1961 and the rules made there under, Goods and Service Tax etc.:** The Company has obtained the required registrations under various Acts of direct and indirect tax laws and was generally regular in filing returns with the respective authorities.
- (vi) Other applicable laws to the Company during the reporting period which the Company have complied with:**
- a)** Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - b)** Payment of Bonus Act, 1965
  - c)** The Payment of Gratuity Act, 1972
  - d)** The Bureau of Indian Standards Act, 2016 erstwhile Bureau of Indian Standards Act, 1986
  - e)** The Legal Metrology Act, 2009
  - f)** The BIS Scheme for hallmarking of Gold & Silver Jewellery
  - g)** The Standards of Weights & Measures Act, 1976
  - h)** The Trademark Act, 1999

**I have also examined compliance with the applicable clauses of the following:**

- i.** Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 01<sup>st</sup> July, 2015;

**Based on the examination conducted during the reporting period (01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022) I hereby report that;**

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**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 during the reporting period (2021-22) were made in compliance with all the applicable provisions under the Companies Act, 2013 and other applicable laws, rules and regulations.

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

All decisions at Board Meetings and Committee Meetings are carried through majority while the dissenting directors / members' views are captured and recorded as per Company policy. However, there were no dissenting directors / members' views noticed in the minutes of general meeting / board minutes for the reporting period.

**There were no specific events took place during the reporting period.**

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company has accordingly appointed the internal auditors to take care of internal systems and processes.

**Disclaimers:**

- a. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.*
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.*
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.*
- d. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.*
- f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.*

*g. 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.*

**For, Hitarth S. Shah & Associates**

**Date: 02<sup>nd</sup> September, 2022**  
**Place: Ahmedabad**

**SD/-**  
**CS Hitarth S. Shah**  
**ACS: 50728**  
**CP No.: 23616**  
**UDIN: A050728D000896595**

## **ANNEXURE-A**

To  
The Members,  
**SONA HI SONA JEWELLERS (GUJARAT) LIMITED**  
[CIN: L36910GJ2010PLC059513]

My report of even date is to be read along with this letter:

### **MANAGEMENT RESPONSIBILITY:**

- I. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. my responsibility is to express an opinion on these secretarial records based on my audit;
- II. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion;
- III. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;
- IV. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis;
- V. I have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- VI. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Ahmedabad**

**Date : 02.09.2022**

**SD/-**

**Name of Practicing Company Secretary: Hitarth S. Shah**

**ACS No. : 50728**

**C P No. : 23616**

**ANNEXURE- III**  
**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.

• **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.

• **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	-	05/04/2021	
Mrs. Rupal J. Shah	Relative of KMP	Rent Paid	1 year	-	05/04/2021	

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-IV

### 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 2021-22.

#### 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 2022
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 2022
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 2021-22.

**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 2022
6.	Mrs. Alpa V. Shah	Chief Financial Officer	-
7.	Mrs. Falak B. Patel	Company Secretary	-

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: NA
3. The percentage increase in the median remuneration of employees in the financial year 2021-22 (approx.) :- NA
4. The number of permanent employees on the rolls of Company in the financial year 2021-22: 8 Employees
5. Average percentile increase made in the salaries of employees other than the managerial remuneration in the last financial year was 10%. The increase is based on economic factors mainly on account of Inflation, Performance Rise, availability of the required talent, status of the relevant industry etc. - NA
6. Affirmation that the remuneration is as per the remuneration policy of the Company  
-We affirm that the remuneration paid is as per the remuneration policy of the Company.

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 M/S 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, 2022, 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, 2022, 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.

### 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.16,59,28,727/- as disclosed note 18 of the accompanying financial statements, Refer note 23 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 mala fide 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 conduct stock counts, on regular basis throughout the year.</p> <p>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.</p> <p>Due to the COVID-19 and related</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> <p>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.</p> <p>Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit</p>

<p>restriction, we were not able to attend the Management's year end physical verification of inventory</p> <p>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.</p>	<p>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.</p>
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4. 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.

5. 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.

#### 6. 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2020 ("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: 22138488AKMVMD2167

Date: 30/06/2022  
Place: Ahmedabad

## **ANNEXURE – A**

### **Independent Auditors' report on the financial statements of SONA HI SONA JEWELLERS (GUJARAT) LIMITED for the year ended 31<sup>st</sup> March 2022.**

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 31<sup>st</sup> March 2022 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 31<sup>st</sup> March 2022, 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 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: 22138488AKMVMD2167

Date: 30/06/2022  
Place: Ahmedabad

## **Annexure “B” to the Independent Auditor’s Report – 31st March, 2022**

(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 2022, we report the following:

- I. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records of intangible assets.  
(b) All the Property, Plant and Equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;  
(c ) All the title deeds of immovable properties are held in the name of the company.  
(d) The Company has not revalued its property, plant and equipment (including right of use of assets) or intangible asset of both during the financial year;  
(e ) There is no any proceeding have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- II. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.  
(b) As disclosed in Note 3 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ` five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company.
- III. In our opinion and according to the information provided to us the company has not made investments and provided any guarantees and granted unsecured loans or advances in the nature of loans hence this clause is not applicable
- IV. The company has not provided any corporate guarantees within the meaning of section 185 & 186 of the Companies Act, 2013.

- V. The Company has not accepted any deposits or amount which is deemed to be deposits from the public.
- VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- VII. (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, income-tax, GST, value added tax, duty of customs, service tax, cess and other material statutory dues if applicable have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account duty of excise.
- (b) According to the information and explanations given to us, and the records of the companies examined by us, there are no disputed dues of GST, income tax, custom duty, service tax, wealth tax, Value added tax, excise duty and cess which have not been deposited.
- VIII. The company has not recorded any transactions in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. The previously unrecorded income has been properly recorded in the books of account during the year.
- IX. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender; hence this clause is not applicable;
- (b) The company has not declared willful defaulter by any bank or financial institution or other lender, hence this clause is not applicable;
- (c) The company has obtained any term loan during the year, Term loan were applied for the purpose for which the loan were obtained.
- (d) The company has not raised any short-term fund; hence this clause is not applicable;
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures; hence this clause is not applicable;
- (f) The company has not raised company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies; hence this clause is not applicable.
- X. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments); hence this clause is not applicable;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year; hence this clause is not applicable.

- XI. (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government; hence this clause is not applicable.

- XII. (a) The Company is not a Nidhi Company hence compliance of Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability is not applicable to the company;  
(b) The Company is not a Nidhi Company hence maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability is not applicable to the company;  
(c) The Company is not a Nidhi Company hence this clause is not applicable to the company.

- XIII. According to the information and explanation given to us and based on the our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

- XIV. a) The Central Government has not prescribed to appoint internal auditor under section 138 of the Act, for any of the services rendered by the Company;  
b) This clause is not applicable to the company.

- XV. 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 non-cash transactions with directors or persons connected with him as restricted in section 192 of Companies Act, 2013; hence this clause is not applicable.

- XVI. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
(b) The Company is not has conducted any Non-Banking Financial or Housing Finance activities; hence this clause is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; hence this clause is not applicable.  
(d) The Company does not have any CIC.

- XVII. The company has not incurred cash losses in the financial year and in the immediately.
- XVIII. There is no resignation of statutory auditors during the year; hence this clause is not applicable.
- XIX. According to the information and explanations given to us and based on our examination of the records of the Company and financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we were in the opinion that no material uncertainty exists as on the date of the audit report. There was no any liability in the books of the company for those payable within one year from the date of balance sheet date.
- XX. (a) The company has not any other than ongoing projects, therefore provision of section 135 of Companies Act, 2013 is not applicable to the company;  
(b) This clause is not applicable to the company.
- XXI. There are no any qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports, hence this clause 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: 22138488AKMVMD2167

Date: 30/06/2022  
Place: Ahmedabad



**CIN NO: L36910GJ2010PLC059513**  
**Balance Sheet as at 31st March 2022**

		<b>(Amount in Rs)</b>	
<b>Particulars</b>	<b>Note No.</b>	<b>As at the end of Current Reporting Period 31-03-2022</b>	<b>As at the end of Previous Reporting Period 31-03-2021</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1678,53,500	1678,53,500
(b) Reserves and surplus	2	460,29,510	451,37,026
(c) Money received against share warrants		0	0
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	255,17,471	106,18,660
(b) Deferred tax liabilities (Net)		91,614	74,448
(c) Other Long term liabilities		0	0
(d) Long-term provisions		0	0
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	1336,12,017	1316,75,804
(b) Trade payables	5	32,400	
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		495,87,132	173,48,192
(c) Other current liabilities	6	4,12,237	2,68,954
(d) Short-term provisions	7	4,08,506	5,07,220
<b>TOTAL</b>		<b>4235,44,387</b>	<b>3734,83,803</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment and Intangible assets	8		
(i) Property, plant and equipment		11,19,856	10,46,598
(ii) Intangible assets		23,661	23,661
(b) Non-current investments	9	9,50,000	9,50,000
(c) Deferred tax assets (net)		0	0
(d) Long-term loans and advances		0	0
(e) Other non-current assets	10	42,000	5,37,000
<b>2 Current assets</b>			
(a) Current Investments		0	0
(b) Inventories	11	1,659,28,728	1,794,38,028
(c) Trade receivables	12	2,502,04,205	1,891,22,640
(d) Cash and cash equivalents	13	37,29,719	8,60,125
(e) Short-term loans and advances	14	10,51,219	10,10,752
(f) Other current assets	15	4,95,000	4,95,000
<b>TOTAL</b>		<b>4235,44,387</b>	<b>3734,83,803</b>

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 : 30/06/2022**  
**UDIN: 22138488AKMVMD2167**

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

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

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

**SONA HI SONA JEWELLERS (GUJARAT) LIMITED**  
**CIN NO: L36910GJ2010PLC059513**  
**Statement of Profit and loss for the year ended 31st March 2022**

(Amount in Rs)

Particulars	Refer Note No.	For the Current Reporting Period 2021-22	For the Previous Reporting Period 2020-21
I. Revenue from operations	16	7698,42,156	6245,53,859
II. Other income		-	-
<b>III. Total Revenue (I + II)</b>		<b>7698,42,156</b>	<b>6245,53,859</b>
IV. Expenses:			
Purchases of Stock-in-Trade	17	7312,79,585	6404,38,728
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	135,09,300	-356,92,921
Employee benefits expense	19	9,32,927	10,10,856
Finance costs	20	149,47,325	140,49,380
Depreciation and amortization expense		4,37,351	1,99,193
Other expenses	21	74,67,513	27,80,111
Total expenses		<b>7685,74,000</b>	<b>6227,85,348</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>12,68,156</b>	<b>17,68,511</b>
VI. Exceptional items			
Net Gain/ Loss On sale of Fixed Asset		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>12,68,156</b>	<b>17,68,511</b>
VIII. Extraordinary Items		0	0
<b>IX. Profit before tax (VII- VIII)</b>		<b>12,68,156</b>	<b>17,68,511</b>
X Tax expense:	22		
(1) Current tax		3,75,672	4,81,904
(2) Deferred tax		3,58,506	5,09,991
		17,166	-28,087
<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>8,92,484</b>	<b>12,86,607</b>
XII Profit/(loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>0</b>	<b>0</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>8,92,484</b>	<b>12,86,607</b>
XVI Earnings per equity share:			
(1) Basic	1 (a)	0.05	0.05
(2) Diluted	1 (a)	0.16	0.12

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

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**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 : 30/06/2022**  
**UDIN: 22138488AKMVMD2167**

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

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

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

**SONA HI SONA JEWELLERS (GUJARAT) LIMITED**  
**CIN NO: L36910GJ2010PLC059513**  
**Cash Flow Statement for the year ended 31st March 2022**

	<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
<b>A</b>	<b>Cashflow from Operating Activities</b>		
	Net Profit before Tax as per Profit & Loss Account	1268156	1768511
	<b>Adjustment For:</b>		
	Depreciation Expense	437351	199193
	Preliminary expenses w/off	495000	495000
	Deferred Tax	17166	(28087)
	Interest Expense	14947325	14049380
		15896842	14715486
	<b>Operating Profit before changes in working Capital</b>	<b>17164998</b>	<b>16483997</b>
	<b>Adjustment for:</b>		
	Trade Receivables	(61081565)	(7173987)
	Loans & Advances	(40468)	(377681)
	Inventories	13509300	(35692921)
	Other Current Assets		0
	Other non current assets	0	0
	Current liabilities & Provisions	32315909	16025195
		(15296824)	(27219394)
	<b>Cash generated from Operations</b>	<b>1868174</b>	<b>(10735397)</b>
	Taxes Paid	375672	481904
	Preliminary expense incurred	0	0
	<b>Cash flow from operating activities</b>	<b>1492502</b>	<b>(11217301)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(510608)	(325988)
	<b>Cash flow from investing activities</b>	<b>(510608)</b>	<b>(325988)</b>
<b>C</b>	<b>Cashflow from Financing Activities</b>		
	Proceeds from long term borrowings	14898811	9467120
	Interest Expense	(14947325)	(14049380)
	Short Term Borrowings from Bank	1936216	15685189
	Proceeds from share premium	0	0
	<b>Cash flow from financing activities</b>	<b>1887702</b>	<b>11102929</b>
	<b>Net Increase in Cash &amp; Cash Equivalent</b>	<b>2869595</b>	<b>(440360)</b>
	Opening balance of Cash & Cash Equivalent	860124	1300484
	Closing balance of Cash & Cash Equivalent	3729719	860124

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

SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Jaimin S. Shah  
Partner  
Mem. No. : 138488  
Place : Ahmedabad  
Date: 30/06/2021  
UDIN: 22138488AKMVM2167

Falak B. Patel  
Company Secretary (DIN: 02895347 )  
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, 2022**

**Note 1**  
**Share capital**

Share Capital	2021-22		2020-21	
	Number	Amount	Number	Amount
<b>Authorised</b>				
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	28000000	280000000
<b>Issued</b>				
Equity Shares of Rs. 10/-each 16785350 ( 16785350 ) shares of Rs 10 each were issued in the previous year)**	16785350	167853500	16785350	167853500
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10/- each fully paid (In the previous year all the issued shares i.e.16785350 ( 16785350 ) shares were subscribed.	16785350	167853500	16785350	167853500
<b>Subscribed but not fully Paid up</b>	0	0	0	0
<b>Total</b>	16785350	167853500	16785350	167853500

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

Particulars	2021-22		2020-21	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	16785350	167853500	16785350	167853500
Shares Issued during the year	0	0		
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	16785350	167853500	16785350	167853500

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

Name of Shareholder	2021-22		2020-21	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Alpa V Shah	1789700	10.66	1789700	10.66
Jayesh C Shah	1050000	6.26	1050000	6.26
Jayesh kumar Chinubhai Shah	2173500	12.95	2173500	12.95
Shah Chinubhai Jayantibhai	1314000	7.83	1314000	7.83
Vijay C Shah	5705400	33.99	5705400	33.99

**\*\*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:

<b>Note 2</b>		
<b>Reserves and surplus</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>a. Securities Premium Account</b>		
Opening Balance	32318940	14818940
Add : Securities premium credited on Share issue	0	17500000
Closing Balance	<b>32318940</b>	<b>32318940</b>
<b>b. Reserve and Surplus</b>		
Opening balance	12818086	11531479
(+) Net Profit/(Net Loss) For the current year	892484	1286607
Closing Balance	<b>13710570</b>	<b>12818086</b>
<b>Total</b>	<b>46029510</b>	<b>45137026</b>

<b>Note 3</b>		
<b>Long Term Borrowings</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b><u>Secured</u></b>		
Secured Loan ( Loan taken from Union Bank under Union Guranteed Emergency credit Line and same secured by by Stock and Book Debts and collaterly 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. )	25517471	10618660
<b>Total</b>	<b>25517471</b>	<b>10618660</b>

<b>Note 4</b>		
<b>Short Term Borrowings</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b><u>Secured</u></b>		
<b>From banks*</b>		
(a) Rupee Loans(From Bank)	124280157	129794464
(b) Working Capital Term Loan ( Installments due within 12 months from reporting date )	9331860	1881340
<b>Total</b>	<b>133612017</b>	<b>131675804</b>

**\*Secured By :** Working capital facilities are Primarily secured by Stock and Book Debts and collaterly 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.

<b>Note 5</b>		
<b>Trade Payables</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
(a )Total outstanding dues of micro enterprises and small enterprises	32400	0
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	49587132	17348192
<b>Total</b>	<b>49619532</b>	<b>17348192</b>
<b>Note 6</b>		
<b>Other Current Liabilities</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Other Payables</b>		
(a) Statutory Liabilities	412237	235804
(b ) Sundry Creditors For Expenses	0	33150
<b>Total</b>	<b>412237</b>	<b>268954</b>
<b>Note 7</b>		
<b>Short Term Provisions</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	0	0
<b>(b) Others</b>		
Provision For Taxation	358506	457220
Provision For Audit Fees	50000	50000
<b>Total</b>	<b>408506</b>	<b>507220</b>

**Note 8****Property, plant and equipment**

	Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
		Balance as at 1 April 2021	Additions/ (Disposals)	Acquired through business combinations	Revaluations / (Impairments)	Balance as at 31 March 2022	Balance as at 1 April 2021	Dep.charged for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2022	Balance as at 31 March 2021
a	<b>Tangible Assets</b>											
	Furniture and Fixtures	81749	-	-	-	81749	77662	0	-	-	77662	4087
	Vehicles	2306591	-	-	-	2306591	2018504	92376			2110879	195712
	Office Equipment	1072782	510608	-	-	1583390	318358	344975	-	-	663333	920057
	<b>Total</b>	<b>3461122</b>	<b>5,10,608</b>	<b>-</b>	<b>-</b>	<b>3971730</b>	<b>2414524</b>	<b>437351</b>	<b>-</b>	<b>0</b>	<b>2851874</b>	<b>1119856</b>
b	<b>Intangible Assets</b>	4,73,227	-	-	-	473227	4,49,566	-	-	-	449566	23661
	<b>Total</b>	<b>39,34,348.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,73,227</b>	<b>4,49,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,49,566</b>	<b>23,661</b>
	<b>Total</b>	<b>7395470</b>	<b>510608</b>	<b>0</b>	<b>0</b>	<b>4444957</b>	<b>2864090</b>	<b>437351</b>	<b>0</b>	<b>0</b>	<b>3301440</b>	<b>1143516</b>
	<b>Previous Year</b>											

**Note 9****Non-current investments**

	Particulars	As at 31 March 2022	As at 31 March 2021
	<b>Other Investments (Refer B below)</b>		
	(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
	<b>Total Investment</b>	<b>950000</b>	<b>950000</b>
	<b>Total</b>	<b>9,50,000</b>	<b>9,50,000</b>
	<b>Less : Provision for diminution in the value of Investments</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>9,50,000</b>	<b>9,50,000</b>

<b>Note 10</b>		
<b>Other non-current assets</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Other non-current Assets	42000	537000
<b>Total</b>	<b>42000</b>	<b>537000</b>
<b>Note 11</b>		
<b>Inventories</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Stock-in-trade Finished Goods	165928728	179438028
<b>Total</b>	<b>165928728</b>	<b>179438028</b>
<b>Note 12</b>		
<b>Trade Receivables</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Unsecured, considered good</b>		
Receivables for a period exceeding 6 months	83913742	26799145
Others	166290463	162323495
<b>Total</b>	<b>250204205</b>	<b>189122640</b>



<b>Note 13</b>		
<b>Cash and cash equivalents</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
a. Balances with banks	273183	125164
b. Cheques, drafts on hand	0	0
c. Cash on hand	3456536	734960
<b>Total</b>	<b>3729719</b>	<b>860125</b>
<b>Note 14</b>		
<b>Short Term Loans and Advances</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b><u>Unsecured, Considered good</u></b>		
Other Short Term Advances to be recovered in cash or kind	1051219	1010752
<b>Total</b>	<b>1051219</b>	<b>1010752</b>
<b>Note 15</b>		
<b>Other current assets</b>		
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Preliminary Expenses to the extent due within 12 months from reporting date	495000	495000
<b>Total</b>	<b>495000</b>	<b>495000</b>

<b>Note 16</b>		
<b>Revenue from operations</b>		
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Sale of products	769842156	624553859
<b>Total</b>	<b>769842156</b>	<b>624553859</b>
<b>Note 17</b>		
<b>Purchases of Stock-in-Trade</b>		
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Purchases of Traded Goods	731279585	640438728
<b>Total</b>	<b>731279585</b>	<b>640438728</b>
<b>Note 18</b>		
<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Inventories At Commencement</b>		
Work-in-Process	0	0
Finished Goods	0	0
Traded Items	179438028	143745107
<b>Inventories At Close</b>		
Work-in-Process	0	0
Finished Goods	0	0
Traded Items	165928728	179438028
<b>Total</b>	<b>13509300</b>	<b>(35692921)</b>

**Note 19****Employee Benefits Expense**

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
(a) Salaries and incentives	932927	1010856
(b) Contributions to -	0	0
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
(f) Staff welfare expenses	0	0
<b>Total</b>	<b>932927</b>	<b>1010856</b>

**Note 20****Finance costs**

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Interest expense	14307214	13755010
Other borrowing costs	640111	294370
<b>Total</b>	<b>14947325</b>	<b>14049380</b>

**Note 21****Other expenses**

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Rent	480000	480000
Repairs to machinery	54576	601859
Insurance	109503	103245
Labour Exp.	5593438	570652
Rates and taxes, excluding, taxes on income	22434	27085
Audit Fees	50000	50000
Professional Fees	325475	251660
Other expenses	337087	200610
Preliminary Expenses w/off	495000	495000
<b>Total</b>	<b>7467513</b>	<b>2780111</b>

**Note 22****Tax Expense**

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Income Tax	358506	457220
Deferred Tax	17166	(28087)
Years	0	52771
<b>Total</b>	<b>375672</b>	<b>481904</b>

## **NOTE 23: SIGNIFICANT ACCOUNTING POLICIES:-**

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

- **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.

- **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.

- **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.

- **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 priced 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

- **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.

- **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.

- **Property, Plant and equipment :-**

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

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.

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.

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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **Earnings Per Share**

Description	Current Year (2021-22)	Current Year (2020-21)
Profit after tax (Rs.)	892484	1286607
Profit attributable to ordinary Shareholders (Rs.)	892484	1286607
Weighted Avg. No. of Equity Shares	16785350	16785350
Basic Earnings per share	0.05	0.08
Nominal Value Per Equity Share (Rs.)	10	10

- **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 2022.

**OTHER NOTES ON ACCOUNT:-**

- 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.
  - Paisa is rounded up to the nearest rupee.
  - 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.
  - 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.
  - Balance of Sundry creditors, debtors, loans and advances are subject to confirmation.
  - The audit has been carried out on the basis of the fresh computerized output reconciled.
  - We are unable to categorize 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.
- **Related Party Disclosures under :- (AS-18)**
    - **Related Party:**
      - Key Management of Company:  
Alpaben Vijaybhai Shah  
Vijay Chinubhai Shah  
Niravbhai Arvindbhai Shah  
Manish M Jain  
Jugal Rajendrakumar Dave

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/-

- Note 1 & 33 forms the integral part of the Balance sheet as at 31<sup>st</sup> March 2022 and Profit & Loss Account for the year ended on that date.

**J S SHAH & Co.**

*Chartered Accountants*

(FRN: 132059W)

For and on behalf of

**Sona Hi Sona Jewellers (Gujarat) Limited.**

**Vijay C. Shah**

**Managing Director**

**DIN: 02895347**

**Alpaben V. Shah**

**Wholetime Director**

**DIN: 02887435**

**Jaimin S.Shah**

*Partner*

M.NO. 138488

UDIN: 22138488AKMVMD2167

Place : Ahmedabad

Date: 30<sup>th</sup> June 2022