



SOVEREIGN METALS LIMITED

13th ANNUAL REPORT 2023-24



Gold
Standard
Mastery



Transparent
Ethical
Integrity



Collaborative
Team
Excellence



Green
Refining
Leadership

SOVEREIGN METALS LIMITED

(CIN: U27109GJ2012PLC069162)

REGISTERED OFFICE

Plot No. 35p, 36p, 37p, 38 & 40B, Phase - 3, Naroda, G.I.D.C Ahmedabad-382330, Gujarat, India
Ph. : 91 281/2225988 / 91 79 6621 2400 Email : info@sovereignmetals.in

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Viral Pankaj Lodhiya	Managing Director
Mr. Kaushik Chimanlal Lodhiya	Director
Mr. Chimanlal Laljibhai Lodhiya	Director
Mrs. Sheetal Pankaj Lodhiya	Director
Mr. Hasmukhlal P. Delawala	Independent Director
Mr. Kalpak A. Maniar	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Viral Pankaj Lodhiya	Managing Director
Ms. Shruti Niraj Shingala	Chief Financial Officer
Mr. Jay Kishorbhai Rathod	Company Secretary

STATUTORY AUDITOR

M/S. J.C. RANPURA & CO.

Star Avenue First Floor,
Dr. Radhakrishnan Road,
Opp. Rajkumar College Rajkot-360001.

SECRETARIAL AUDITOR

M/S. K. P. RACHCHH & CO.,

Company Secretary
317, Krishna Con Arch-2,
Tagore Road, Rajkot 360002

REGISTRAR & TRANSFER AGENT

KFin TECHNOLOGIES PRIVATE LIMITED

(Formerly known as Karvy Fintech Private Limited)

Karvy Selenium Tower B, Plot 31&32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032, Telangana

Ph. No. : +91 40 6716 2222, 3321 1000

Website: www.karvyfintech.com

COMPANY DETAILS

SOVEREIGN METALS LIMITED

(CIN: U27109GJ2012PLC069162)

Plot No. 35p, 36p, 37p, 38 & 40B,

Phase - 3, Naroda, G.I.D.C,

Ahmedabad-382330, Gujarat, India.

Telephone: +91 79 6621 2400, +91 281 2225988

Fax: +91 281 2234744

EMAIL: info@sovereignmetals.in

Website: <https://sovereignmetals.in>

Corporate Office Address:

31, Shaligram Complex, Bhupendra Road,
Rajkot 360001, Gujarat, India

CIN : U27109GJ2012PLC069162

NOTICE

NOTICE is hereby given that the **13TH ANNUAL GENERAL MEETING** of the members of **SOVEREIGN METALS LIMITED** will be held on 30th September, 2024 on Monday through the mode of Video Conferencing/OAVM Means at 01:00 P.M. to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, the reports of the Board of Directors and Auditors thereon:**

and in this regard pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended on 31st March, 2024 including Reports of the Board of Directors’ and Auditors there on which have already been circulated to the Members and laid before this meeting be and are hereby considered, approved and adopted.”

- 2. To appoint a Director in place of Mr. Kaushik C. Lodhiya (DIN – 02060605), who retires by rotation and being eligible, offers himself for re appointment:**

and in this regard pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Kaushik C. Lodhiya (DIN – 02060605), who retires by rotation at this meeting, and being eligible offer himself for re-appointment, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

- 3. To re-appoint M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot Statutory Auditor of the Company and to fix their remuneration:**

and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot, who were appointed as Statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting concerning of the financial year 2023-24, be and are hereby re-appointed as the Statutory Auditors of the Company to carry out Statutory audit for a period of Four(4) years i.e. from the financial year 2024-25 till the conclusion of 17th Annual General Meeting pertaining to the financial year 2027-28, at a remuneration as decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit.

Place: Rajkot
Date: 07th September, 2024

By Order of the Board of
SOVEREIGN METALS LIMITED

Chimanlal Laljibhai Lodhiya
Chairman and Director
(DIN: 01144051)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, 5th May, 2022, 28th December, 2022, 25th September, 2023 and various other circulars related thereto (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting through VC/ OAVM (“AGM” or “e-AGM”), without the physical presence of the members of the Company at a common venue and accordingly this 13th Annual General Meeting will be held through Video Conferencing (“VC”)/Other Audio Visual Means(OAVM).
2. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary business under item no. 03 is annexed hereto
3. The Link for attending the Annual General Meeting will be provided separately through E-mail to all the members of the Company in due course of Time along with detail instructions.
4. The deemed venue for the AGM shall be the place from where Chairman of the Company/Meeting is attending the AGM i.e. at Rajkot.
5. In terms of provision of Section 107 of the Companies Act, 2013, the resolutions put to vote as set out in notice be decided on a show of hands.
6. Generally, a member entitled to attend and vote at the General meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OVAM pursuant to the MCA Circulars, physical attendance of members has been dispensed with.
ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
7. 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.

8. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least 2 days before the date of the meeting.
9. Since the AGM will be held through VC/OVAM, the route map of the venue of the meeting is not annexed hereto.

Place: Rajkot
Date: 07th September, 2024

By Order of the Board of
SOVEREIGN METALS LIMITED

Chimanlal Laljibhai Lodhiya
Chairman and Director
(DIN: 01144051)

EXPLANATORY STATEMENT PURSUANT OT PROVISION OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3:

M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot, were appointed as Statutory Auditors of the Company at the 08th Annual General Meeting (AGM) held on 30th September, 2019 for a period of 5 years to hold office from the conclusion of the 08th AGM until the conclusion of the AGM of the financial year 2023-24.

M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot are eligible for re-appointment as Statutory Auditors of the Company for a further period of 4 years and have given their consent for the same. They have confirmed that their re-appointment, if made, will be within the limits prescribed under section 139 of the Companies Act, 2013 and the rules made thereunder. /s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, have confirmed that they are eligible for the proposed appointment under section 139 of the Act and are not disqualified for appointment under section 141 of the Companies Act, 2013 and other relevant provisions of the Act.

The Board of Directors of the Company has recommended before the Members for their approval for the reappointment of /s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot as the Statutory Auditors of the Company for another term of four consecutive years i.e. to hold office from the conclusion of the 13th AGM till the conclusion of the 17th AGM of the Company pertaining to the financial year 2027-28.

The Board of Directors shall finalize and approve the remuneration in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 3 of the Notice.

Your Directors recommend the Ordinary resolution as at Item No.3 for your approval.

Place: Rajkot
Date: 07th September, 2024

By Order of the Board of
SOVEREIGN METALS LIMITED

Chimanlal Laljibhai Lodhiya
Chairman and Director
(DIN: 01144051)

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting before you the 13th Annual Report along with the Audited Balance sheet And Profit & Loss Account for the Year ended 31st March 2024.

1. FINANCIAL RESULT:**(Amount in Rs. In Lacs)**

Particulars	2023-24	2022-23
Revenue from Operation	4,98,314.94	6,28,189.73
Other Income	364.70	234.40
Total Revenue	4,98,679.64	6,28,424.13
Profit & (Loss) before depreciation, Interest & tax	2561.99	2657.64
Less : Interest/Finance Cost	479.99	692.45
Profit & (Loss) Before Depreciation & Tax	2082.00	1965.19
Less: Depreciation and Amortization Expense	322.19	354.00
Profit&(Loss) after Depreciation Before Tax	1759.81	1611.19
Add: Exceptional items	0	0
Profit before Tax	1759.81	1611.19
Less:		
Current Tax	437.00	407.00
Earlier year Tax	8.41	26.37
Deferred Tax Asset/ (Liabilities)	138.25	2.21
MAT Credit Entitlement	-	-
Net Profit & (Loss) for the period	1176.15	1175.61

2. RESULT OF OPERATION AND THE STATE OF AFFAIRS OF THE COMPANY:

Company is engaged in Manufacturing and Trading of Gold & Silver, Gold Ornaments and Diamond Jewellery and Silver ornaments. During the year, Company has earned total Income of Rs. 498679.64 Lacs in comparison to previous year of Rs. 628424.13 Lacs. Company has earned Profit of Rs. 1176.15 Lacs in the year 2023-24 and in the year 2022-23 company has earned profit of Rs. 1175.61 Lacs.

The Company is engaged in the volatile business, but segment is very demanding and having growth in overall demand of the precious metals. The Management is always making efforts to get better opportunities to give profitable growth to the Company. The Company aims to expand the business and try to maintain stable profitability and try to grab the opportunities which may come in the Future path and future of the Company seems to be bright.

Company has its Head office at Ahmedabad and Branches at Mumbai, Delhi, and Coimbatore. The company has closed Benglalur, Indore and Vijaywada branches during the year, due to inaccurate demand.

3. DIVIDEND:

With a view of ploughing back of profit for more growth and development of the Company, your directors do not recommend any dividend for the year.

4. TRANSFER TO RESERVE:

The Board of Directors of your Company has decided not to transfer any amount to General Reserves for the year under review.

5. SHARE CAPITAL:

Your Company has not issued any Equity Shares during the year under review and there is no change in the Capital Structure of the Company during the year 2023-24.

Further, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity shares and none of the Directors of the Company hold any convertible instruments.

The Company have no debt structure.

6. DEMATERIALIZATION OF EQUITY SHARES:

All the shares of the Company are in dematerialized form. The ISIN No. allotted is INE187V01013.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year, Company has not given any Guarantees and has not made any Investments covered under section 186 of the Companies Act, 2013. Further loan granted is within the limit of section 186 of the Companies Act, 2013.

8. DEPOSITS:

Company has not accepted any deposit and as such, no amount of principal or Interest was outstanding as of the Balance Sheet date. As on 31st March 2024, there were unsecured loan from Shareholders of Rs.742.68 Lacs as per Bank Stipulation which are exempted deposits. Further, Company has availed loan from Director which is exempted deposit and as on 31st March, 2024 outstanding balance of loan from director is of Rs. 0.20 Lakhs.

9. PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES

All Contracts/Arrangements/Transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and

Particulars of the same are prescribed in Form AOC-2 and forms part of Board's Report as Annexure-2.

10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, 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 were no 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.

However, the company closed Jaipur, Agra, Hyderabad, & Kolkata branches due to inaccurate demand.

11. MAJOR EVENTS:

No major events have been occurred during the year.

12. CHANGE IN THE NATURE OF BUSINESS:

There were no change in the nature of the business of the Company during the year.

13. HOLDING/SUBSIDIARY/ASSOCIATE:

As on 31st March, 2024, there were no Holding/Subsidiary/Associate Company of the Company.

14. CONSOLIDATED FINANCIAL STATEMENT:

Company doesn't have any subsidiaries, associate so there is no need to prepare consolidated financial statements for the FY 2023-24.

15. STATEMENT FOR COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

We, the Directors of the Company hereby state the Company has complied with applicable Secretarial Standards for the Board and General Meetings to the extend it is applicable.

16. CHANGE IN BOARD OF DIRECTORS/KMP DURING AND AFTER FINANCIAL YEAR TILL SIGNING DATE:

During the Year 2023-24 there has been no change in the Board of Directors and KMPs of the Company.

- Further, Pursuant to provision of section 152(6) of the Companies Act, 2013 and as per Articles of Association of the Company, Mr. Kaushik C. Lodhiya (DIN – 02060605) is liable

to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

- Brief profile of director seeking appointment/re-appointment is attached as **Annexure-1** to this Report.

As on 31st March, 2024 Board/KMP is comprised as per following:

Sr. No.	Name of Director	Designation	DIN/PAN
1	Mr. Chimanlal Laljibhai Lodhiya	Director	01144051
2	Mr. Kaushik Chimanlal Lodhiya	Director	02060605
3	Mrs. Sheetal Pankaj Lodhiya	Director	07991942
4	Mr. Viral Pankaj Lodhiya	Managing Director	08228595
5	Mr. Hasmukhlal P. Delawala	Independent Director	08725350
6	Mr. Kalpakbhai A. Maniar	Independent Director	00369957
7	Ms. Shruti Niraj Shingala	CFO	BVLPS6988L
8	Mr. Jay Kishorbhai Rathod	Company Secretary	ATDPR2215E

17. DECLARATION BY INDEPENDENT DIRECTORS & COMPLIANCE OF CODE OF CONDUCT:

Mr. Hasmukhlal Popatlal Delawala (DIN – 08725350) and Mr. Kalpak A. Maniar (DIN – 00369957) are Independent Directors of the Company.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

Further Independent Directors have complied with Code of Conduct as per Schedule IV of the Companies Act, 2013.

18. CORPORATE SOCIAL RESPONSIBILITY:

Section 135 of the Companies Act, 2013 is applicable to the Company. During the year 2023-24 Rs. 22.49 Lakhs of amount needed to be spent, considering the Profit/Loss of the three immediately preceding financial years. Enclosed Annual Report on CSR Activities as **Annexure-3**.

Details regarding the Composition of CSR Committee and Meetings of CSR Committee is given in the point of Committees of Board's Report.

Details related to Meetings of CSR Committee is disclosed separately below in this Board's Report.

19. COMMITTEES OF BOARD:

During the year, Company has following Committees of Board,

A. Composition & Meetings of Audit Committee:

The Board has framed Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013

Name of Director	Position	Independent/Executive/ Non-Executive	No. of Meetings held	No. of Meetings Attended
Mr. Kalpakbhai A. Maniar	Chairman	Independent Director	4	4
Mr. Hasmukhlal P. Delawala	Member	Independent Director	4	4
Mr. Kaushik C. Lodhiya	Member	Non-Executive Director	4	4

During the year, 2023-24, Audit Committee has met 4 times.

Sr. No.	Date of Meeting
1	17-05-2023
2	14-07-2023
3	29-08-2023
4	23-10-2023
5	05-02-2024

Brief Description and Terms of Reference:

- In accordance with the provision of the Section 177 of the Companies Act, 2013
- Overseeing the Company's financial reporting process and to ensure that the financial statements are correct, sufficient and credible.
- The recommendation for appointment, remuneration and terms of appointment, of the auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process & approval of Payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

The Board has accepted all the recommendations of Audit committee.

B. Composition & Meetings of Nomination & Remuneration Committee:

The Board has framed Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013

Name of Director	Position	Independent/Executive/ Non-Executive	No. of Meetings held	No. of Meetings Attended
Mr. Hasmukhlal P. Delawala	Chairman	Independent Director	2	2
Mr. Kalpakbhai A. Maniar	Member	Independent Director	2	2
Mr. Kaushik C. Lodhiya	Member	Non-Executive Director	2	2

During the year, 2023-24, Nomination & Remuneration Committee has met 2 times.

Sr. No.	Date of Meeting
1	14-06-2023
2	29-08-2023

Brief Description and Terms of Reference:

- In accordance with the provision of the Section 178 of the Companies Act, 2013
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, recommend to the Board their appointment & removal and shall carryout evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of director and recommended to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel (KMP) and other employees.
- To decide or recommend to the Board remuneration of the Managing Director/Director/KMP and Senior Management of the Company.
- To approve, in the event of loss or inadequate profits in any year, minimum remuneration payable to the Whole-Time Directors/Managing Directors within the limits and to the parameters prescribed in the Schedule V to Companies Act, 2013.
- Other matters as may be prescribed from time to time to be deal with or handled by the Nomination and Remuneration Committee pursuant to provisions of the Companies Act, 2013 and the rules made thereunder

The Company has framed Nomination & Remuneration policy and annexed as **Annexure-4**. Further, The Company is not required to frame stakeholder relationship Committee pursuant to provision of section 178 of the Companies Act, 2013 as the members of the Company are less than 1000.

C. Composition & Meetings of Corporate Social Responsibility Committee:

In accordance with the provision of section 135 of the Companies Act, 2013, your Company has already constituted Corporate Social Responsibility (CSR) Committee to perform social duty and spread welfare of the society at large.

Name of Director	Position	Independent/Executive/ Non-Executive	No. of Meetings held	No. of Meetings Attended
Mr. Kaushik C. Lodhiya	Chairman	Non-Executive Director	2	2
Mr. Chimanlal L. Lodhiya	Member	Non-Executive Director	2	2
Mr. Hasmukhlal P. Delawala	Member	Independent Director	2	2

During the year, 2023-24, Corporate Social Responsibility Committee has met 2 times.

Sr. No.	Date of Meeting
1	11-04-2023
2	26-03-2024

Brief Description and Terms of Reference:

- The Terms of Reference of Corporate Social Responsibility Committee were as per section 135 of the Companies Act, 2013 and CSR Policy.
- The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from

time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

20. ESTABLISHMENT OF VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and Employees to Report Genuine Concerns as per Section 177 of the Companies Act, 2013. The Board of Directors has nominated Mr. Kaushik C. Lodhiya, Director (DIN: 02060605) of the Company for the Purpose of Vigil Mechanism to whom other Directors and Employees report their concerns.

The Vigil Mechanism will provide adequate safeguards against victimization of employees and directors who avail of the Vigil Mechanism and also provide for direct access to Mr. Kaushik C. Lodhiya nominated in this regard.

21. ANNUAL EVALUATION:

Pursuant to section 134 (p) of the Companies Act, 2013, Board has made annual evaluation of its own performance and also of its committees and Individual Directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and Nomination and remuneration committee. In Furtherance Independent Directors have also met once during a year without Non-Independent directors for review of performance of non-Independent directors and the Board of Directors as a whole, review the performance of Chairman taking into account view of executive directors and non-executive directors. Evaluation made on various criteria's such as analyzing skill of Directors related to Leadership, Strategy Formulation and execution, financial planning / performance, skill related to maintenance of relationship including both i.e. internal and external relationship, participation in the decision making, presence of board meeting, knowledge and competency, assessment of risk factors etc.

Observations of board evaluation carried out for the year	:	NIL
Previous year's observations and actions taken	:	NIL
Proposed actions based on current year observations	:	NOT REQUIRED

22. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

There were no employees who were drawing remuneration in excess of the limits prescribed in Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure as per requirement of Schedule V:

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;

No Director is paid any remuneration except to Mr. Viral P. Lodhiya, Managing Director of the Company. During the year 2023-24 he was paid remuneration of Rs. 60.00 Lakhs.

(ii) details of fixed component and performance linked incentives along with the performance criteria; No such Incentive paid

(iii) service contracts, notice period, severance fees; and: None

(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: None, No Stock option.

23. NUMBER OF MEETING OF THE BOARD:

Attendance at Board Meetings :

Total 9 (Nine) Board meetings were held during the year 2023-24 as under:

Sr. No.	Dates of Board Meetings and Presence (Y: YES /N: NO/ NA: Not Applicable)	Name of Directors & Designation					
		Mr.Chimanlal L. Lodhiya	Mr. Hasmukhlal P. Delawala	Mr. Kalpakhbai A. Maniar	Mr. Kaushik C. Lodhiya	Mrs. Sheetal P. Lodhiya	Mr. Viral P. Lodhiya
		Director (DIN: 01144051)	Independent Director (DIN: 08725350)	Independent Director (DIN: 00369957)	Director (DIN: 02060605)	Director (DIN: 07991942)	Managing Director* (DIN: 08228595)
1	11-04-2023	Y	Y	Y	Y	Y	Y
2	17-05-2023	Y	Y	Y	Y	Y	Y
3	14-06-2023	Y	Y	Y	Y	Y	Y
4	14-07-2023	Y	Y	Y	Y	Y	Y
5	23-09-2023	Y	Y	Y	Y	Y	Y
6	29-08-2023	Y	Y	Y	Y	Y	Y
7	23-10-2023	Y	Y	Y	Y	Y	Y
8	28-11-2023	Y	Y	Y	Y	Y	Y
9	05-02-2024	Y	Y	Y	Y	Y	Y

24. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the requirement of section 134(5) of the Companies Act, 2013, it is hereby stated that-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had 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 or loss of the Company for that period;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) 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.

25. DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year, there were no application made and no any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

26. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under consideration, there were no such kind instances by/with the company, so no details are required to be mentioned herewith.

27. RISK MANAGEMENT POLICY:

Company has developed a system wherein Risk Management is taken care for the Company including identification therein of elements of Risk.

28. AUDITOR AND AUDITORS' REPORT:

STATUTORY AUDITORS

M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot, were appointed as Statutory Auditors of the Company at the 08th Annual General Meeting (AGM) held on 30th September, 2019 for a period of 5 years to hold office from the conclusion of the 08th AGM until the conclusion of the AGM of the financial year 2023-24.

M/s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot are eligible for re-appointment as Statutory Auditors of the Company for a further period of 4 years and have given their consent for the same. They have confirmed that their re-appointment, if made, will be within the limits prescribed under section 139 of the Companies Act, 2013 and the rules made thereunder. /s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, have confirmed that they are eligible for the proposed appointment under section 139 of the Act and are not disqualified for appointment under section 141 of the Companies Act, 2013 and other relevant provisions of the Act.

The Board of Directors of the Company has recommended before the Members at ensuing annual general meeting, for their approval for the reappointment of /s. J. C. RANPURA & CO., (FRN: 108647W), Chartered Accountants, Rajkot as the Statutory Auditors of the Company for another term of four consecutive years i.e. to hold office from the conclusion of the 13th AGM till the conclusion of the 17th AGM of the Company pertaining to the financial year 2027-28.

STATUTORY AUDITORS REPORT:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments. The Auditors' report does not contain qualification, reservation or adverse remark.

DETAILS OF FRAUD REPORT BY AUDITOR:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDIT:

Pursuant to Provision of section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. K. P. Rachchh & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2023-24.

The Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. K. P. Rachchh & Co., Practicing Company Secretary, Rajkot. The said Report is attached with this Report as **Annexure-5**. No Qualification put up by the Secretarial auditor and report is self-explanatory and no further clarification is required.

INTERNAL AUDIT:

Ms. Shruti Niraj Shingala, Chartered Accountant was appointed as Internal Auditor of the Company along with the powers and duties as mentioned in the Companies Act, 2013 and Rules made in this regard to carry out internal audit as per provision of section 138 of the Companies Act, 2013.

COST AUDIT:

Cost Audit is not applicable to the Company.

29. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website on www. <https://sovereignmetals.in>

30. INTERNAL FINANCIAL CONTROL:

The Board has adopted procedures for ensuring the orderly and efficient business conduct of its business and there is an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting operate effectively.

31. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

In accordance with the requirement of section 134(3) (m) of the companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars with respect to conservation of energy technology Absorptions and foreign exchange earnings and outgo are presented here under:

[A] CONSERVATION OF ENERGY

- i. the steps taken or impact on conservation of energy : Conservation of energy is always been an area of priority in the Company's operations. The Company has consumed Electricity of Rs. 105.98 Lacs.
- ii. the steps taken by the company for utilising alternate sources of energy: NIL
- iii. The Capital Investment or Energy conservation Equipments: NIL

[B] TECHNOLOGY ABSORPTION:

- i. The efforts made towards technology absorption; NIL
- ii. The Company has not imported any technology during the last three years reckoned from the beginning of the financial year.
- iii. the expenditure incurred on Research and Development: NIL

The company has not initiated any research and development activities and thus no Expenditure has been incurred on Research and Development.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Earnings: Rs. 9,885.16 Lakhs
Foreign Out Go : Rs. 2,91,636.58 Lakhs

32. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

33. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

We the Directors of the Company states that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and during the year there was no Complaint in this matter.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from Financial Institution, Government authorities, customers, vendors and members. The Directors also wish to take place on record their deep sense of appreciation to all employees for the dedicated services rendered at various levels without whose contribution your company could not achieved the present stage of performance and will look forward to their continued support in the future as well.

Date: 2nd September, 2024

Place: Rajkot

For and On behalf of

SOVEREIGN METALS LIMITED

Viral P. Lodhiya
Managing Director
DIN: 08228595

Kaushik C. Lodhiya
Director
DIN: 02060605

Annexure -1**BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:**

Name of Director	KAUSHIK CHIMANLAL LODHIYA
Date of Birth & Age	07/01/1975 & AGE: 49 years
Date of Appointment	12/10/2017
Expertise in Specific functional area	Expertise in the field of Business Management & Administration.
Experience	More than 20 years of Experience
Education Qualification	Higher Secondary
List of other public companies in which Directorship held	NIL
Shareholding in this company	72,72,000 Equity Shares (12%)
Relationship with Other Directors	Son of Mr. Chimanlal L. Lodhiya, Uncle of Mr. Viral P. Lodhiya

Date: 2nd September, 2024
Place: Rajkot

For and On behalf of
SOVEREIGN METALS LIMITED

Viral P. Lodhiya
Managing Director
DIN: 08228595

Kaushik C. Lodhiya
Director
DIN: 02060605

Annexure – 2

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 transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length Basis: **NIL**

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

*Note: The transactions made are not material as all transactions done within the limit of section 188 of the Companies Act, 2013, however disclosed below for transparency

(Amt. in Rs. in Lakhs)

Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Shreeji Ornaments Private Limited (Group Company)	Sale of goods	Continuous & Approved omnibus yearly	906.14	11-04-2023	NIL
Shreeji Ornaments Private Limited (Group Company)	Job-work & Refining Charges	Continuous & Approved omnibus yearly	2.67	11-04-2023	NIL
Ariplutus Metals Private Limited (Group Company)	Job-work & Refining Charges	Continuous & Approved omnibus yearly	1.10	11-04-2023	NIL
Ariplutus Metals Private Limited (Group Company)	Sale of goods	Continuous & Approved omnibus yearly	13.42	11-04-2023	NIL
Ms. Payal K. Lodhiya (Wife of Director)	Rent	Approved yearly	6.60	11-04-2023	NIL
Ms. Urmilaben C. Lodhiya (Wife of Director)	Rent	Approved yearly	6.60	11-04-2023	NIL
Ms. Sheetal P. Lodhiya (Director)	Rent	Approved yearly	6.60	11-04-2023	NIL
Mr. Viral P. Lodhiya (Managing Director)	Reimbursement of Expense	Approved yearly	14.53	11-04-2023	NIL

Mr. Kaushik C. Lodhiya	Reimburse ment of Expense	Approved yearly	19.98	11-04-2023	NIL
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Date: 2nd September, 2024
Place: Rajkot

For and On behalf of
SOVEREIGN METALS LIMITED

Viral P. Lodhiya
Managing Director
DIN: 08228595

Kaushik C. Lodhiya
Director
DIN: 02060605

Annexure - 3

ANNUAL REPORT ON CSR ACTIVITIES 2023-24

1. A Brief outline of the CSR policy of the Company.

The Company has framed its own CSR Policy. The Company is spending the amount of CSR Expense in the various activities described under Schedule VII of the Companies Act, 2013.

2. The Composition of the CSR Committee.

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Kaushik C. Lodhiya	Non-Executive Director – Chairman	2	2
2	Mr. Chimanlal L. Lodhiya	Non-Executive Director – Member	2	2
3	Mr. Hasmukhlal P. Delawala	Independent Director- Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee is disclosed in the policy and same is uploaded at the website of the Company <https://sovereignmetals.in>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (In Rs.)

(a) Average net profit of the company as per sub-section (5) of section 135.	11,24,54,643.70/-
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	22,49,092.87/-
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NIL
(d) Amount required to be set-off for the financial year, if any.	NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	22,49,092.87/-
--	----------------

6.

(a) *Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	22,50,000.00/-
(b) Amount spent in Administrative Overheads.	NIL
(c) Amount spent on Impact Assessment, if applicable.	NIL
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	22,50,000.00/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Lacs)	Amount Unspent (in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
		Amount	Date of Transfer	Name of the Fund	Amount
22,50,000/-	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	22,49,092.87/-
(ii)	Total amount spent for the Financial Year	22,50,000.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

* Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project State & District	Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name of Implementing agency and CSR Registration Number

01	Promoting Education	(ii)	Yes	RAJKOT	22,50,000/-	NO	LODHIYA FOUNDATION CSR00023141
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7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	2022-23	NIL	-	-	NIL	-	-	-
2	2021-22	NIL	-	-	NIL	-	-	-
3	2020-21	NIL	-	-	NIL	-	-	-
	Total	NIL	-	-	NIL	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

YES [] NO []

If Yes, enter the number of Capital assets created/ acquired : NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner

	complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

1. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. : Not Applicable

Date: 2nd September, 2024
Place: Rajkot

For and On behalf of
SOVEREIGN METALS LIMITED

Viral P. Lodhiya
Managing Director
DIN: 08228595

Kaushik C. Lodhiya
Director & Chairman of CSR Committee
DIN: 02060605

Annexure - 4**NOMINATION AND REMUNERATION POLICY****PREAMBLE:**

Section 178 of the Companies Act, 2013 states that every unlisted public company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 shall constitute Nomination and Remuneration Committee.

Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014: the Public Companies having paid up share capital of ten crore rupees or more; or the Public Companies having turnover of one hundred crore rupees or more; or the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees:

Hence, Our Company falls under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly has framed Nomination and Remuneration committee and Policy.

Objective and purpose of the Policy The objective and purpose of this policy are:

1. To oversee the nomination process and lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (executive and nonexecutive) and persons who may be appointed in senior management and key managerial positions and to determine their remuneration in a fair and equitable manner.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Media and Entertainment Industry.
3. To ensure that remuneration paid to directors and executives is competitive, enabling the Company to attract and retain employees capable of meeting the Company's needs and service delivery obligations; and
4. To reward directors and executives for achieving predetermined Company, Departmental as well as personal/ individual performance targets and goals.
5. To carry out evaluation of the performance of directors, as well as key managerial and senior management personnel and other employees.
6. To provide them reward linked incentives directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

COMPOSITION:

The Members of the Nomination and Remuneration Committee ("the Committee or NRC") shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.

The Company has appointed Mr. Hasmukhlal Delawala and Mr. Kalpakbhai Arvindbhai Maniar as an Independent Director of the Company on 19th May, 2020 and 7th August, 2020 respectively. As per the provisions of Companies Act, 2013 and accordingly Board has reconstituted its Committee and w.e.f 07th August, 2020, the Composition of Committee is as under :

Mr. Hasmukhlal P. Delawala- Independent Director –Chairman
Mr. Kalpakbhai A. Maniar - Independent Director -Member
Mr. Kaushik C. Lodhiya - Non-Executive Director – Member

DEFINITION:

“Board” means Board of Directors of the Company.

“Independent Director” means

A director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means

- a. Chief Executive Officer or the Managing Director or the Manager,
- b. Company Secretary,
- c. Whole-time Director,
- d. Chief Financial Officer and
- e. Such other officer as may be prescribed.

“Nomination and Remuneration Committee” shall mean

A Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013

“Policy or This Policy” means “Nomination and Remuneration Policy.

“Senior Management” means

Personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management.

TERMS AND REFERENCE OF COMMITTEE:

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

While framing above policy, Nomination and remuneration committee should ensure that: the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ADMINISTRATIVE MATTERS:

MEETINGS:

The Committee will meet as often as the Committee members deem necessary in order to fulfill their role and meet as & when the need arise for review of Managerial Remuneration.

QUORUM:

The Quorum for the meeting shall be one third of the total strength of the Committee or two members, whichever is higher.

CONVENING AND NOTICE OF MEETING:

Any member may convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee at member's registered address for service of notice or such other pre-notified interim address where relevant, at least seven days in advance.

CHAIR:

In the absence of the Committee Chairman, the Committee members must elect one of their members as chair for that meeting. The Chair has a casting vote.

ACCESS TO RESOURCES AND INDEPENDENT ADVISERS:

The Committee is to have access to adequate internal and external resources i.e. the Committee may seek advice of the Company's auditors, solicitors or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee as and when may require.

MINUTES:

Minutes of the Meeting of the Committee must be kept and recorded within 30 days and after approval by the Committee chair, be presented at the next Board meeting.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**1) Appointment Criteria and Qualifications:**

A. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

B. person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

C. The Company shall not appoint or continue the employment of any person as Managing Director/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 for such motion indicating the justification for extension of appointment beyond seventy years.

D. Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules framed there under.

E. In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

2) Term/ Tenure:**A. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment 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 upto 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 their capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Board on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3) Removal:

Due to reasons for any disqualification mentioned in the Act or under any 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.

4) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL:**1. Remuneration to Managing/Whole-time/ Executive/ Managing Director, KMP 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, Schedule V and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive/ Independent Director:

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees, if any to

be paid then the same shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

REVIEW AND AMENDMENT:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.

The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks 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.

For and on behalf of the Board of,
SOVEREIGN METALS LIMITED

Hasmukhlal P. Delawala
Chairman
DIN: 08725350

Annexure – 5

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024
[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,
SOVEREIGN METALS LIMITED
(CIN: U27109GJ2012PLC069162)
Plot No. 35p, 36p, 37p, 38 & 40B, Phase - 3,
Naroda, G.I.D.C.
Ahmedabad- 382330

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by SOVEREIGN METALS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SOVEREIGN METALS LIMITED ("the Company") for the financial year ended on 31st March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and further amendments thereto and as per applicability to the company;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities Contracts (Regulation) Amendment Act, 2007 and the rules made thereunder; **Not applicable** as the Company is not listed Company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable** as the Company is not listed Company, however Companies Shares are in Demat form and accordingly complying to that extent as per applicability.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to the Company.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable as the Company is not listed Company:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto; **Not Applicable**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto; **Not Applicable**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **Not applicable**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable.**
- (vi) The Company has complied with the following law as specifically applicable to the Company as Identified by the Company and We have relied on the representation made by the Company and its officer and Compliance mechanism prevailing in the Company for the same:

a. Bureau of Indian Standards Act 2016

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

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

As per requirement of the Companies Act, 2013, Board of Directors of the Company and Committees of Board were duly constituted in compliance with the provision of the Companies Act, 2013. During the year under review, there has no change in Board of Directors of the Company and also no any changes in Key managerial personnel.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda 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 have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. There were no dissenting views on any matter.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Management Representation Letter, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For: K. P. Rachchh & Co.
Company Secretaries

Place : Rajkot
Date : 02nd September, 2024

Kalpesh P. Rachchh
Proprietor
FCS No. : 5156
C P No.: 3974
UDIN: F005156F001109261
Peer Review Certificate No.: 737/2020

To,

The Members,
SOVEREIGN METALS LIMITED
(CIN: U27109GJ2012PLC069162)
Plot No. 35p, 36p, 37p, 38 & 40B, Phase - 3,
Naroda, G.I.D.C.
Ahmedabad- 382330

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For: K. P. Rachchh & Co.
Company Secretaries

Place : Rajkot
Date : 02nd September, 2024

Kalpesh P. Rachchh
Proprietor
FCS No. : 5156
C P No.: 3974
UDIN: F005156F001109261
Peer Review Certificate No.: 737/2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
M/s. Sovereign Metals Limited,
Ahmedabad.

Report on the Audit of the Financial Statements

OPINION

- 1 We have audited the financial statements of **M/s. Sovereign Metals Limited, Ahmadabad** (CIN: U27109GJ2012PLC069162) (hereinafter referred to as the "Company"), which comprise the balance sheet as at 31 March 2024, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- 2 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024, and its profit, and its cash flows for the year ended on that date.

BASIS FOR OPINION

- 1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (hereinafter referred to as the "Act"). 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

- 1 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.
- 2 Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the company as it is an unlisted public company.



INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS, REPORT THEREON.

- 1 The Company's board of directors is responsible for the preparation of the other information. The other information comprises the included in the Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.
- 2 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 3 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.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

- 1 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 2 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.
- 3 Those Board of Directors are also responsible for overseeing the company's financial reporting process.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

- 1 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.
- 2 As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- 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.
- 3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

- 1 We were not physically present at the time of inventory verification by the management and therefore, we have relied on the inventory as taken, verified, and valued by the management.
- 2 The Company has not entered into an agreement in writing with supplier as defined in the Micro, Small and Medium Enterprise Development Act, 2006, and also not produced before us any documentary evidence to support its due date of payment to the said suppliers and the Company has not ascertained whether or not the Company has been liable for any interest chargeable under section 16 of the said Act. Therefore, the Company is not in a position to quantify whether such interest was or is payable or not. In the absence of this information, we are unable to give our opinion on this matter.
- 3 Having regard to the size of the Company and its operation, we are not modifying our report for the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, further to our comments in the Annexure, 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

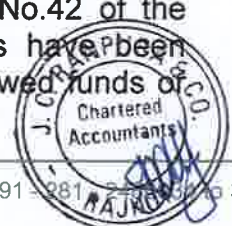


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those books except for the matters stated in sub-paragraph (j)(h) below on reporting under clause (g) of Rule 11;

- (c) As reported to us, there are no branches which have been audited by a person other than us and hence this clause is not applicable.
- (d) The financial statements dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) In our opinion, there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company.
- (g) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (h) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the sub-paragraph (b) above on reporting under section 143(3)(b) and sub-paragraph (j)(h) below on reporting under clause (g) of Rule 11;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A."
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - (b) 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.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (d) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No.42 of the financial statements attached herewith, no funds have been advanced or loaned or invested (either from borrowed funds or



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share premium or any other sources or kind of funds) by the Company to or in any other person/s or entity/ies including foreign entity/ies ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.

- (e) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note No.43 of the financial statements attached herewith, no funds have been received by the Company from any person/s or entity/ies including foreign entity/ies ("Funding Party/ies"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party/ies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.
- (f) Based on the audits procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub-clauses (i) and (ii) of clause (e) of Rule 11 contain any material mis-statement.
- (g) During the financial year under audit, no dividend has been declared, or paid by the Company.
- (h) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, Based on our examination on test check basis, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the Company did not operate such facility during the year.

For J. C. Ranpura & Co.,
Chartered Accountants
FRN: 108647W



Place: Rajkot
Date: 02 September, 2024

Ketan Y. Shein
Partner
Membership No. 118411
UDIN:24118411BJZXDH3936

Report on the Internal Financial Controls

under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

- 1 We have audited the internal financial controls over financial reporting of **M/s. Sovereign Metals Limited, Ahmedabad** (the "Company") as of **31 March, 2024** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

- 2 The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

- 3 Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 4 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

- 7 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

- 8 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Rajkot
Date: 02 September, 2024



For J. C. Ranpura & Co.
Chartered Accountants
[FRN: 108647A]

(Ketan Y. Sheth)
Partner
(Membership No. 118411)
UDIN: 24118411BJZXDH3936

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the information and explanations sought by us and given by the Company and the books of account made available to us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (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 maintaining proper records showing full particulars of intangible assets.
 - (b) These property, plant, and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant, and Equipment (including Right of Use assets) or intangible asset or both during the year, and hence, this clause is not applicable to the Company.
 - (e) As per information and explanations furnished during the course of audit, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The inventory has been physically verified during the year by the management. We were not physically present at the time such verification and therefore, we are unable to comment as to whether the coverage and procedure of such verification by the management of the company are appropriate or not. As reported to us, discrepancies of 10% or more in the aggregate for each class of inventories were not noticed.
 - (b) As disclosed in note 35 to the financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed



by the Company with such banks and financial institutions are not in agreement with the books of account of the Company and the details are as follows:

Sr. No.	Name of the lenders	Current Assets	Quarter ending	Value as per books of Accounts	Value as per quarterly return/ statement	Discrepancy
1.	Indusind Bank Limited					Due to change in valuation method, there is difference in stock in stock statement submitted to bank and as shown in books.
		Inventories	June	1,93,28,94,546	1,97,91,81,723	
			September	1,33,76,79,633	1,32,04,65,162	
			December	1,58,26,22,010	1,58,27,73,833	
			March	94,34,23,356	89,02,64,168	

(iii) The Company has not made investment in, provided any guarantee or security, but has granted loans or advances in the nature of loans, secured or unsecured, to any other parties.

(a) During the year the Company has provided loans or advances in the nature of loans as follows:

	Loans (₹. In Lakhs)
Aggregate amount granted/ provided during the year	
- Others	7.71
Balance outstanding as at balance sheet date in respect of above cases	
- Others	15.95

- (b) As the Company has not made investments, or provided guarantee, or given any security, this clause is not applicable for the year under audit.
- (c) The Company has granted loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.



- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) As per information and explanation furnished, the company has complied with section 185 and 186 of the Companies Act, 2013, wherever applicable.
- (v) In our opinion, the Company has complied Sec 73 to 76 of the Companies Act, 2013 for the year under audit. As per information and explanation given and records made available to us, the company had borrowed unsecured loans of ₹. 7.42 Crores from its promoters in pursuance of stipulation of bank providing cash credit facility and except that the Company has not accepted any funds from public.
- (vi) The Central Government has not specified for the maintenance of costs records for the business of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, goods and services tax, cess, and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) There are no material dues of income tax, sales tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, goods and services tax, and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions which have, during the financial year under audit, been surrendered or disclosed as income during the year in the tax assessment under the Income-tax Act, 1961.
- (ix) (a) Company is generally regular in repayment of loans or borrowing to financial institutions, banks, or Government.



- (b) Company is not a declared willful defaulter by any bank or financial institution or other lender.
 - (c) Term loans were applied for the purpose for which the loans were obtained
 - (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, 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.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) Company has not raised money by way of initial public offer or further public offer (including debt instruments), and therefore, this clause is not applicable.
 - (b) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of sections 42 and 62 of the Companies Act, 2013 is not required to be complied with.
- (xi) (a) We have not noticed any fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriations of assets) on or by the company, during the year. Further, the management has represented to us that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. However, we are unable to determine/verify as to whether any such reporting has been made during the year or not.
 - (b) The auditor of the company has not filed any report under sub-section (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014.
 - (c) There are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report



on clause 3(xii)(a) of the Order is not applicable to the Company.

- (b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.



- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) We are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) The provisions of section 135 of the Act are applicable to the Company and the Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) In our opinion, the Company has not carried out or contributed to ongoing projects and accordingly no amount is/was required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

Place: Rajkot
Date: 02 September, 2024



For J. C. Ranpura & Co.
Chartered Accountants
FRN:108647W

Ketan Y. Sheth
Partner
Membership No. 118411
UDIN:24118411BJZXDH3936

Sovereign Metals Limited, Ahmedabad

(CIN: U27109GJ2012PLC069162)

Balance Sheet as at 31 March 2024

(Rs in lakhs)

Particulars	Note	31 March 2024	31 March 2023
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	6,060.00	6,060.00
(b) Reserves and Surplus	4	3,112.15	1,936.00
(c) Money Received against Share Warrants		-	-
Total		9,172.15	7,996.00
(2) Share application money pending allotment			
		-	-
(3) Non-current liabilities			
(a) Long-term Borrowings	5	742.88	942.68
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term Liabilities		-	-
(d) Long-term Provisions	6	99.83	86.71
Total		842.71	1,029.39
(4) Current liabilities			
(a) Short-term Borrowings	7	1,154.92	4,616.56
(b) Trade Payables	8		
- Due to Micro and Small Enterprises		5.26	-
- Due to Others		7,220.63	14,201.65
(c) Other Current Liabilities	9	262.71	271.45
(d) Short-term Provisions	10	533.17	444.31
Total		9,176.69	19,533.97
Total Equity and Liabilities		19,191.55	28,559.36
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11	2,476.64	2,730.64
(ii) Intangible Assets	11	7.95	6.86
(iii) Capital Work-in-progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (net)	12	52.71	61.12
(d) Long-term Loans and Advances		-	-
(e) Other Non-current Assets	13	426.00	4.87
Total		2,963.30	2,803.49
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	5,707.45	8,313.92
(c) Trade Receivables	15	4,276.30	11,087.23
(d) Cash and cash equivalents	16	4,125.16	3,789.83
(e) Short-term Loans and Advances	17	2,101.91	2,541.89
(f) Other Current Assets	18	17.43	23.00
Total		16,228.25	25,755.87
Total Assets		19,191.55	28,559.36

See accompanying notes to the financial statements

As per our report of even date
For M/s. J C RANPURA & CO
Chartered Accountants
Firm's Registration No. 108647W



Ketan Y. Shah
Partner
Membership No. 118411
UDIN: 24118411BJZXDH3936

For and on behalf of the Board of
Sovereign Metals Limited, Ahmedabad

Kaushik Lodhiya
Kaushik Lodhiya
Director
DIN:02060605

Viral Lodhiya
Viral Lodhiya
Managing Director
DIN:08228595

S.N. Shingala
Shruti Shingala
Chief Financial Officer

Jay Rathod
Jay Rathod
Company Secretary

Place: Rajkot
Date: 2 September 2024

M No. A37589
Place: Rajkot
Date: 2 September 2024

Sovereign Metals Limited, Ahmedabad

(CIN: U27109GJ2012PLC069162)

Statement of Profit and loss for the year ended 31 March 2024

(Rs in lakhs)

Particulars	Note	31 March 2024	31 March 2023
Revenue from Operations	19	4,98,314.94	6,28,189.73
Other Income	20	364.70	234.39
Total Income		4,98,679.64	6,28,424.12
Expenses			
Cost of Material Consumed	21	3,62,726.46	5,70,986.77
Purchases of Stock in Trade	22	1,29,274.10	52,991.11
Change in Inventories of work in progress and finished goods	23	1,756.70	(1,400.99)
Employee Benefit Expenses	24	733.06	649.62
Finance Costs	25	643.25	1,009.38
Depreciation and Amortization Expenses	26	322.19	354.00
Other Expenses	27	1,464.07	2,223.04
Total expenses		4,96,919.83	6,26,812.93
Profit/(Loss) before Exceptional and Extraordinary Item and Tax		1,759.81	1,611.19
Exceptional Item		-	-
Profit/(Loss) before Extraordinary Item and Tax		1,759.81	1,611.19
Prior Period Item		-	-
Extraordinary Item		-	-
Profit/(Loss) before Tax		1,759.81	1,611.19
Tax Expenses	28		
- Current Tax		437.00	407.00
- Deferred Tax		8.41	26.37
- MAT Credit Entitlement		-	-
- Prior Period Taxes		138.25	2.21
- Excess/Short Provision Written back/off		-	-
Profit/(Loss) for the Period from Continuing Operations		1,176.15	1,175.61
Profit/(loss) from Discontinuing Operation (before tax)		-	-
Tax Expenses of Discontinuing Operation		-	-
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Profit/(Loss) for the period		1,176.15	1,175.61
Earnings Per Share (Face Value per Share Rs.10 each)			
-Basic (In Rs)	29	1.94	1.94
-Diluted (In Rs)	29	1.94	1.94

See accompanying notes to the financial statements

As per our report of even date

For M/s. J C RANPURA & CO

Chartered Accountants

Firm's Registration No. 108647W



Ketan Y. Sheth

Partner

Membership No. 118411

UDIN: 24118411BJZXDH3936

For and on behalf of the Board of
Sovereign Metals Limited, Ahmedabad

Kaushik Lodhiya

Director

DIN:02060605

Viral Lodhiya

Managing Director

DIN:08228595

Shruti Shingala

Chief Financial Officer

Jay Rathod

Company Secretary

M No. A37589

Place: Rajkot

Date: 2 September 2024

Place: Rajkot

Date: 2 September 2024

Cash Flow Statement for the year ended 31 March 2024

Particulars	Note	(Rs in lakhs)	
		31 March 2024	31 March 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit after tax		1,176.15	1,175.61
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Depreciation and Amortisation Expense		322.19	354.00
Provision for tax		583.66	-
Effect of Exchange Rate Change		-	-
Loss/(Gain) on Sale / Discard of Assets (Net)		-	-
Bad debt, provision for doubtful debts		-	-
Net Loss/(Gain) on Sale of Investments		-	-
Non Cash Expenses		-	-
Dividend Income		-	26.37
Interest Income		(159.46)	-
Finance Costs		643.25	-
Operating Profit before working capital changes		2,565.78	1,555.98
Adjustment for:			
Inventories		2,606.47	-
Trade Receivables		6,810.93	-
Loans and Advances		331.10	-
Other Current Assets		(3.77)	(10,819.76)
Other Non current Assets		-	-
Trade Payables		(6,975.76)	-
Other Current Liabilities		(8.74)	9,202.03
Long term Liabilities		-	-
Short-term Provisions		88.86	-
Long-term Provisions		13.12	31.75
Cash (Used in)/Generated from Operations		5,427.99	(29.99)
Tax paid(Net)		454.89	-
Net Cash (Used in)/Generated from Operating Activities		4,973.10	(29.99)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(69.28)	(384.05)
Sale of Property, Plant and Equipment		-	-
Purchase of Investments Property		-	-
Sale of Investment Property		-	-
Purchase of Equity Instruments		-	-
Proceeds from Sale of Equity Instruments		-	-
Purchase of Mutual Funds		-	-
Proceeds from Sale / Redemption of Mutual Funds		-	-
Purchase of Preference Shares		-	-
Proceeds from Sale/Redemption of Preference Shares		-	-
Purchase of Government or trust securities		-	-
Proceeds from Sale/Redemption of Government or trust securities		-	-
Purchase of debentures or bonds		-	-
Proceeds from Sale/Redemption of debentures or bonds		-	-
Purchase of Other Investments		-	-
Sale / Redemption of Other Investments		-	-
Loans and Advances given		(7.70)	-
Proceeds from Loans and Advances		-	-
Investment in Term Deposits		395.39	-
Maturity of Term Deposits		-	-
Movement in other non current assets		-	(20.58)
Interest received		165.03	-
Dividend received		-	-
Net Cash (Used in)/Generated from Investing Activities		483.44	(404.63)



CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital		-	-
Buyback of Shares		-	-
Proceeds from Long Term Borrowings		(199.80)	-
Repayment of Long Term Borrowings		-	(62.24)
Proceeds from Short Term Borrowings		(3,461.64)	-
Repayment of Short Term Borrowings		-	-
Minority Interest Movement		-	-
Dividends Paid (including Dividend Distribution Tax)		-	-
Interest Paid		(643.25)	-
Net Cash (Used in)/Generated from Financing Activities		(4,304.69)	(62.24)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,151.85	(496.86)
Opening Balance of Cash and Cash Equivalents		1,250.60	1,747.45
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	16	2,402.45	1,250.60

Components of cash and cash equivalents	31 March 2024	31 March 2023
Cash on hand	45.83	21.00
Cheques, drafts on hand	-	-
Balances with banks in current accounts	2,356.62	1,229.60
Bank Deposit having maturity of less than 3 months	-	-
Others	-	-
Cash and cash equivalents as per Cash Flow Statement	2,402.45	1,250.60

Note:
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

See accompanying notes to the financial statements

As per our report of even date
For M/s. J C RANPURA & CO
Chartered Accountants
Firm's Registration No. 108647W



Ketan Y. Sheth
Partner
Membership No. 118411
UDIN: 24118411BJZxDH3936

For and on behalf of the Board of
Sovereign Metals Limited, Ahmedabad

K. Chodhi
Kaushik Lodhiya
Director
DIN:02060605

V. Lodhiya
Viral Lodhiya
Managing Director
DIN:08228595

S.N. Shingala
Shruti Shingala
Chief Financial Officer

J. Rathod
Jay Rathod
Company Secretary
M No. A37589
Place: Rajkot

Place: Rajkot
Date: 2 September 2024

Date: 2 September 2024

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2023-24

I COMPANY OVERVIEW:

- [1] M/s. Sovereign Metals Limited** [CIN. U27109GJ2012PLC069162] is a company incorporated under the provisions of The Companies Act, 1956 and is engaged in the business of Manufacturing and Trading of Gold, Gold Ornaments, and Diamond Jewellery & Silver Ornaments, having its registered office at Ahmedabad & Branches at Mumbai, Delhi, Coimbatore, Bangalore, Kolkata, Jaipur and Noida.

II SIGNIFICANT ACCOUNTING POLICIES:

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- (a) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.
- (b) The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the Lakh of rupees and decimal thereof.

(2) CHANGES IN ACCOUNTING POLICY

- (a) During the year ended 31st March, 2024 there is no change in accounting policy having significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(3) USE OF ESTIMATES

- (a) The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.
- (b) The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions, if any, to the accounting estimates are recognized in the period in which is revised and future periods affected.

(4) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ITEMS

- (a) Tangible items are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2023-24

- (b) The cost of Property, Plant & Equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- (c) Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

INTANGIBLE ASSETS

- (d) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

(5) DEPRECIATION, AMORTISATION AND DEPLETION

TANGIBLE ASSETS

- (a) Depreciation on Property, Plant & Equipments is provided to the extent of depreciable amount on the Written down value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- (b) In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

(6) IMPAIRMENT

- (a) An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(7) FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2023-24

date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement, except in case of liabilities or land or property, plant and equipment, where they relate to acquisition of land or property, plant and equipment from outside India in which case they are adjusted to the carrying cost of such assets.

(8) INVESTMENTS

- (a) Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of non-Current investments is made only if such a decline is other than temporary.

(9) INVENTORIES

- (a) Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any, except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.
- (b) Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

(10) REVENUE RECOGNITION

- (a) Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, and sales during trial run period, adjusted for discounts (net).
- (b) Claims for damages etc. against the contractors/service providers are recognized on due basis, as and when the certainty to receive the claim is ascertained.
- (c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(11) GOODS AND SERVICE TAX.

- (a) Goods and services tax is accounted for at the time of removal of goods cleared / services provided.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2023-24

(12) EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

- (a) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

POST-EMPLOYMENT BENEFITS DEFINED CONTRIBUTION PLANS

- (b) A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, State Government Schemes. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

POST-EMPLOYMENT BENEFITS DEFINED BENEFIT PLANS

- (c) The Liability in respect of defined benefits in the form of gratuity, leave encashment, post-retirement medical scheme is provided based on the percentage notified by the Government.

(13) BORROWING COSTS

- (a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

(14) FINANCIAL DERIVATIVES & COMMODITY HEDGING TRANSACTIONS

- (a) In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognized in the Profit and Loss Statement except in case where they relate to the acquisition or construction of Fixed Assets, in which case, they are adjusted to the carrying cost of such assets.

(15) INCOME TAXES

- (a) Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act 1961, using the applicable tax rates.
- (b) Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2023-24

the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

- (c) Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

(16) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Provision is recognized in the accounts when there is a present obligation as a result of past event(s), and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

For and on behalf of the Board of Directors of
M/s. Sovereign Metals Limited


Viral Lodhiya
Managing Director
Din: 08228595



Kaushik Lodhiya
Director
Din: 02060605



For **J C Ranpura & Co.,**
Chartered Accountants
[FRN: 108647W]


Ketan Y. Sheth
Partner
[Membership No. 118411]
UDIN: 24118411BJZXDH3936


Shruti Shingala
Chief Financial Officer


Jay Rathod
Company Secretary
Membership No. A37589

Place: Rajkot

Date: 02 September, 2024

Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

3 Share Capital

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Authorised Share Capital		
Equity Shares, of Rs. 10 each, 60600000 (Previous Year -60600000) Equity Shares	6,060.00	6,060.00
Issued, Subscribed and Fully Paid up Share Capital		
Equity Shares, of Rs. 10 each, 60600000 (Previous Year -60600000) Equity Shares paid up	6,060.00	6,060.00
Total	6,060.00	6,060.00

(i) Reconciliation of number of shares

Particulars	31 March 2024		31 March 2023	
	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)
Equity Shares				
Opening Balance	6,06,00,000	6,060.00	6,06,00,000	6,060.00
Issued during the year	-	-	-	-
Deletion	-	-	-	-
Closing balance	6,06,00,000	6,060.00	6,06,00,000	6,060.00

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of issued, subscribed and paid-up equity shares having a par value of ₹. 10/- each. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Holding company, its Subsidiaries and Associates

Particulars	31 March 2024		31 March 2023	
	No of Shares	(Rs in lakhs)	No of Shares	(Rs in lakhs)
Holding Company:	-	-	-	-
Ultimate Holding Company:	-	-	-	-
Subsidiaries or associates of Holding company:	-	-	-	-
Subsidiaries or associates of the Ultimate Holding company:	-	-	-	-

(iv) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31 March 2024		31 March 2023		
	Name of Shareholder	No. of shares	In %	No. of shares	In %
	Kaushik C. Lodhiya	72,72,000	12.00%	72,72,000	12.00%
	Chimanlal L. Lodhiya	72,72,000	12.00%	72,72,000	12.00%
	Viral P. Lodhiya	1,09,08,000	18.00%	1,09,08,000	18.00%
	Dilipkumar Vishindas Lakhi	1,09,08,000	18.00%	1,09,08,000	18.00%
	Manish Girdharilal Lakhi	1,09,08,000	18.00%	1,09,08,000	18.00%
	Meenti Sanket Mehta	1,09,08,000	18.00%	1,09,08,000	18.00%



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

(v) Shares held by Promoters at the end of the year 31 March 2024

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Kaushik C. Lodhiya	Equity	72,72,000	12.00%	0.00%
Chimanlal L. Lodhiya	Equity	72,72,000	12.00%	0.00%
Viral P. Lodhiya	Equity	1,09,08,000	18.00%	0.00%
Dilipkumar Vishindas Lakhi	Equity	1,09,08,000	18.00%	0.00%
Manish Girdharilal Lakhi	Equity	1,09,08,000	18.00%	0.00%
Meenti Sanket Mehta	Equity	1,09,08,000	18.00%	0.00%
Shital P. Lodhiya	Equity	24,24,000	4.00%	0.00%

Shares held by Promoters at the end of the year 31 March 2023

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Kaushik C. Lodhiya	Equity	72,72,000	12.00%	0.00%
Chimanlal L. Lodhiya	Equity	72,72,000	12.00%	0.00%
Viral P. Lodhiya	Equity	1,09,08,000	18.00%	0.00%
Dilipkumar Vishindas Lakhi	Equity	1,09,08,000	18.00%	0.00%
Manish Girdharilal Lakhi	Equity	1,09,08,000	18.00%	0.00%
Meenti Sanket Mehta	Equity	1,09,08,000	18.00%	0.00%
Shital P. Lodhiya	Equity	24,24,000	4.00%	0.00%

(vi) Equity shares movement during 5 years preceding 31 March 2024

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Equity shares issued as bonus	-	-	-	-	-
Equity shares extinguished on buy-back	-	-	-	-	-

4 Reserves and Surplus

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Securities Premium		
Opening Balance	2,000.00	2,000.00
Closing Balance	2,000.00	2,000.00
Statement of Profit and loss		
Balance at the beginning of the year	(64.00)	(1,240.14)
Add: Profit/(loss) during the year	1,176.15	1,175.61
Less: Appropriation		
Prior Period Adjustment	0.00	(0.53)
Balance at the end of the year	1,112.15	(64.00)
Total	3,112.15	1,936.00

5 Long term borrowings

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Secured Loans and advances from related parties	742.88	942.68
Total	742.88	942.68



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

6 Long term provisions

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Provision for employee benefits	99.83	86.71
Total	99.83	86.71

7 Short term borrowings

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Current maturities of long-term debt	-	6.56
Secured Loans repayable on demand from banks	259.92	-
Secured Other loans and advances	895.00	4,610.00
Total	1,154.92	4,616.56

8 Trade payables

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Due to Micro and Small Enterprises	5.26	-
Due to others	7,220.63	14,201.65
Total	7,225.89	14,201.65

8.1 Trade Payable ageing schedule as at 31 March 2024

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.42	0.30	-	-	3.72
Others	7,219.12	-	-	-	7,219.12
Disputed dues- MSME	-	1.54	-	-	1.54
Disputed dues- Others	-	-	-	1.51	1.51
Sub total					7,225.89
MSME - Undue					
Others - Undue					
Total					7,225.89

8.2 Trade Payable ageing schedule as at 31 March 2023

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					-
Others	14,197.72	1.51	2.42	-	14,201.65
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total					14,201.65
MSME - Undue					
Others - Undue					
Total					14,201.65



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

9 Other current liabilities

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Statutory dues	15.58	40.28
Advances from customers	247.13	231.17
Total	262.71	271.45

10 Short term provisions

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Provision for employee benefits	93.17	34.31
Provision for income tax	437.00	407.00
Provision for Audit Fees	3.00	3.00
Total	533.17	444.31



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)

Notes forming part of the Financial Statements

11 Property, Plant and Equipment

Name of Assets	Gross Block			Depreciation and Amortization			Net Block		
	As on 01-Apr-23	Addition	Deduction	As on 31-Mar-24	As on 01-Apr-23	for the year	Deduction	As on 31-Mar-24	As on 31-Mar-24
(i) Property, Plant and Equipment									
Land	1,900.16	-	-	1,900.16	1,025.50	15.31	-	1,040.81	859.35
Buildings	2,931.45	7.30	-	2,938.74	2,457.59	45.03	-	2,502.62	436.13
Plant and Equipments	4,842.35	28.40	-	4,870.75	3,604.58	222.66	-	3,827.24	1,043.51
Furniture and Fixtures	205.06	14.05	-	219.11	109.72	21.77	-	131.49	87.63
Vehicles	33.06	-	-	33.06	19.66	4.19	-	23.85	9.21
Office equipments	70.00	4.03	-	74.02	65.33	0.68	-	66.01	8.01
Computers	89.54	7.09	-	96.63	73.52	7.82	-	81.34	15.29
Dies and Moulds	24.94	4.71	-	29.65	10.01	2.12	-	12.13	17.52
Total	10,096.56	65.58	-	10,162.13	7,365.92	319.58	-	7,685.49	2,476.64

(ii) Intangible Assets									
Computer Software	51.16	8.15	4.45	54.86	44.30	2.61	-	46.91	7.95
Total	51.16	8.15	4.45	54.86	44.30	2.61	-	46.91	7.95

Name of Assets	Gross Block			Depreciation and Amortization			Net Block		
	As on 01-Apr-22	Addition	Deduction	As on 31-Mar-23	As on 01-Apr-22	for the year	Deduction	As on 31-Mar-23	As on 31-Mar-23
(i) Property, Plant and Equipment									
Land	1,900.16	-	-	1,900.16	1,010.20	15.31	-	1,025.50	874.66
Buildings	2,905.42	26.03	-	2,931.45	2,409.64	47.95	-	2,457.59	473.86
Plant and Equipments	4,560.84	281.51	-	4,842.35	3,359.91	244.67	-	3,604.58	1,237.76
Furniture and Fixtures	156.80	48.27	-	205.06	88.12	21.60	-	109.72	95.35
Vehicles	33.06	-	-	33.06	13.58	6.09	-	19.66	13.40
Office equipments	68.45	1.54	-	70.00	65.15	0.18	-	65.33	4.66
Computers	69.46	20.08	-	89.54	62.23	11.29	-	73.52	16.03
Dies and Moulds	24.01	0.93	-	24.94	7.12	2.89	-	10.01	14.93
Total	9,718.20	378.36	-	10,096.56	7,015.95	349.97	-	7,365.92	2,730.64

(ii) Intangible Assets									
Computer Software	44.93	6.23	-	51.16	40.26	4.04	-	44.30	6.86
Total	44.93	6.23	-	51.16	40.26	4.04	-	44.30	6.86



Sovereign Metals Limited, Ahmedabad

(CIN: U27109GJ2012PLC069162)

Notes forming part of the Financial Statements

Capital Work-in-Progress Ageing Schedule

Capital Work-in-Progress	Amount in CWIP for a period of				Amount in CWIP for a period of			(Rs in lakhs)	
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-
Total									

Disclosure for Project Overdue or exceeded its budgeted cost

Capital Work-in-Progress	Project Status	To be Completed			To be Completed			(Rs in lakhs)	
		Less than 1 year	1 -2 Years	2-3 Years	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total

Intangible assets under development ageing Schedule

Intangible assets under development	Amount in CWIP for a period of				Amount in CWIP for a period of			(Rs in lakhs)	
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-
Total									

Disclosure for Project Overdue or exceeded its budgeted cost

Intangible assets under development	Project Status	To be Completed as at 31 March 2024			To be Completed as at 31 March 2023			(Rs in lakhs)	
		Less than 1 year	1 -2 Years	2-3 Years	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

12 Deferred tax assets net

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Deferred Tax Assets	52.71	61.12
Total	52.71	61.12

12.1 Significant Components of Deferred Tax

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Deferred Tax Asset		
Expenses provided but allowable in Income tax on Payment basis	37.25	31.14
Difference between book depreciation and tax depreciation	15.46	29.98
Gross Deferred Tax Asset (A)	52.71	61.12
Deferred Tax Liability		
Gross Deferred Tax Liability (B)	-	-
Net Deferred Tax Asset (A)-(B)	52.71	61.12

13 Other non current assets

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Bank Deposit having maturity of greater than 12 months	426.00	4.87
Total	426.00	4.87

14 Inventories

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Raw materials	-	983.80
Work-in-progress	2,911.96	4,197.03
Finished goods	2,614.69	3,086.33
Stores and Spares Consumed	173.91	34.41
MEIS/SEIS License Stock	6.89	12.35
Total	5,707.45	8,313.92

15 Trade receivables

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Unsecured considered good	4,276.30	11,087.23
Total	4,276.30	11,087.23



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

15.1 Trade Receivables ageing schedule as at 31 March 2024

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	4,276.30	-	-	-	-	4,276.30
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						4,276.30
Undue - considered good						
Total						4,276.30

15.2 Trade Receivables ageing schedule as at 31 March 2023

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	11,079.30	7.94				11,087.23
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						11,087.23
Undue - considered good						
Total						11,087.23

16 Cash and cash equivalents

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Cash on hand	45.83	21.00
Balances with banks in current accounts	2,356.62	1,229.60
Cash and cash equivalents - total	2,402.45	1,250.60
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	1,722.71	2,539.23
Total	4,125.16	3,789.83

17 Short term loans and advances

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Loans and advances to employees	15.94	8.24
Total continued	15.94	8.24



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

Short term loans and advances

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Total continued from previous page	15.94	8.24
Advances to suppliers	28.29	363.18
Balances with Government Authorities	1,905.88	2,068.87
Others		
-Deposits	75.71	72.13
-Prepaid Expenses	76.09	29.47
Total	2,101.91	2,541.89

18 Other current assets

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Interest accrued	17.43	23.00
Total	17.43	23.00

19 Revenue from operations

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Sale of products	4,98,340.39	6,28,847.21
Other operating revenues	(25.45)	(657.48)
Total	4,98,314.94	6,28,189.73

19.1 Revenue from major Products

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Domestic	4,88,455.22	6,09,372.19
Export	9,885.16	19,475.01
Other operating Revenue	(25.45)	(657.48)
Total	4,98,314.94	6,28,189.73

20 Other Income

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Interest Income	159.46	141.59
Other non-operating income (net of expenses)	1.18	3.26
ABRY Benefit	0.32	1.47
Bill Discounting	0.32	-
Currency Rate Difference	63.60	-
Freight Income	13.58	15.08
Income From Lab Testing	0.61	1.12
Interest on IT Refund	8.97	-
Jobwork Income	17.69	-
Melting Charges	3.52	1.25
Packing & Handling Income	0.15	-
Refining Charges	95.30	70.62
Total	364.70	234.39



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

21 Cost of Material Consumed

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Raw Material Consumed		
Opening stock	983.80	1,623.09
Purchases	4,08,236.52	5,07,545.01
(Less) Inter Branch Purchase	(46,471.67)	62,678.01
Less: Closing stock	-	983.80
Total	3,62,748.66	5,70,862.32
Stores and Spares Consumed		
Opening stock	34.41	34.41
Purchases	117.30	124.45
Less: Closing stock	173.91	34.41
Total	(22.20)	124.45
Total	3,62,726.46	5,70,986.77

22 Purchases of stock in trade

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Purchases of goods		
-Purchase of Metal	1,29,274.10	52,991.11
Total	1,29,274.10	52,991.11

22.1 Purchase of Metal Includes

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Gold Metal Purchase	44,834.45	1,16,884.21
Silver metal Purchase	90,736.89	7,145.71
(Less) Branch transfer	(6,297.24)	(71,038.81)
Total	1,29,274.11	52,991.11

23 Change in Inventories of work in progress and finished goods

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Opening Inventories		
Finished Goods	3,086.33	4,725.44
Work-in-progress	4,197.03	1,156.93
Less: Closing Inventories		
Finished Goods	2,614.69	3,086.33
Work-in-progress	2,911.96	4,197.03
Total	1,756.70	(1,400.99)

24 Employee benefit expenses

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Salaries and wages	613.50	527.01
Contribution to provident and other funds	43.02	49.64
Staff welfare expenses	76.54	72.97
Total	733.06	649.62



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

25 Finance costs

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Interest expense	479.99	692.45
Other borrowing costs	40.00	40.00
Bank Charges	116.36	276.93
Bank Commission	6.90	-
Total	643.25	1,009.38

26 Depreciation and amortization expenses

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Depreciation on property, plant and equipment	322.19	354.00
Total	322.19	354.00

27 Other expenses

(Rs in lakhs)

Particulars	31 March 2024	31 March 2023
Administrative Expenses		
-Accounting Charges	0.42	0.72
-Agency Charges	47.35	46.33
-Assaying/Testing Charges	0.81	0.93
-Audit Fees	3.00	3.00
-Bank Charges	0.18	-
-Brokerage Charges	2.65	16.13
-Clearing Charges	0.56	1.30
-Conveyance Expense	1.69	1.23
-CSR	22.50	12.00
-Custody Fees	0.87	0.87
-Electricity	4.47	3.86
-Foreign Travelling Expense	15.37	40.17
-Gardener Expenses	4.40	5.35
-GST Expense	10.97	-
-Hotel/ Accomodation Expense	5.35	7.18
-Insurance Expense	27.77	22.28
-Interest on GST	-	0.01
-Interest on TDS/TCS	5.08	0.19
-Late Payment Charges	1.37	0.01
-Legal & Professional Fees	128.23	87.79
-Membership Fees	9.67	12.54
-Miscellaneous Expense	-	0.20
-Office Expenses	2.34	1.33
-Office Rent exp	22.21	-
-Packing expense	0.75	-
-Post and courier	1.81	1.49
-Prior Period Expense	0.66	0.46
-Processing Fees IGST	-	0.82
-Professional Tax	-	0.05
Total continued	320.48	266.24



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

Other expenses

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Total continued from previous page	320.48	266.24
-Rate Difference	171.13	753.06
-Rent, Rates & Taxes	37.63	57.59
-Repair & Maintenance Expense	36.61	33.13
-ROC Fees	0.26	0.48
-Security Charges	55.06	41.65
-Spares & tools	26.51	-
-Stationery & Printing Expense	4.49	3.91
-Subscription Expense	0.42	0.01
-Sundry Expenses written off	5.97	(1.45)
-Telephone & Internet	5.18	4.99
-Transaction Charges	2.03	3.86
-Transportation Charges on Export	9.89	16.43
-Travelling and Conveyance Expense	9.07	6.50
-UGVCL TDS	-	(0.02)
-Valuation Charges	1.58	1.55
-VAT Expense	-	1.83
-Vaulting Charges	-	0.03
Manufacturing Expenses		
-Alloy Purchase	0.23	4.42
-Demurrage Charges	0.01	-
-Factory Expense	46.33	45.02
-Freight Expense	268.29	94.25
-Housekeeping Service Charges	27.05	21.01
-Insurance Expense	28.21	41.10
-Jobwork	190.08	366.86
-Late Filing Fees	0.30	1.62
-MEIS/SEIS License Write Off	-	7.78
-Other Purchase	-	0.20
-Power and Fuel	105.98	122.54
-Refining Charges	5.72	163.53
-Transportation Charges	83.65	151.24
Selling & Distribution Expenses		
-Advertisement Expense	9.03	2.22
Miscellaneous expenses	12.88	11.46
Total	1,464.07	2,223.04

28 Tax Expenses

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Current Tax	437.00	407.00
Deferred Tax	8.41	26.37
Prior Period Taxes	138.25	2.21
Total	583.66	435.58

Significant components of Deferred Tax charged during the year

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Difference between book depreciation and tax depreciation	14.52	45.74
Expenses provided but allowable in Income tax on Payment basis	(6.11)	(19.37)
Total	8.41	26.37



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

29 Earning per share

Particulars	31 March 2024	31 March 2023
Profit attributable to equity shareholders (Rs in lakhs)	1,176.15	1,175.61
Weighted average number of Equity Shares	6,06,00,000	6,06,00,000
Earnings per share basic (Rs)	1.94	1.94
Earnings per share diluted (Rs)	1.94	1.94
Face value per equity share (Rs)	10	10

30 Auditors' Remuneration

Particulars	31 March 2024	31 March 2023
Payments to auditor as - Auditor	3.00	3.00
Total	3.00	3.00

(Rs in lakhs)

31 Contingent Liabilities and Commitments

Particulars	31 March 2024	31 March 2023
Claims against the Company not acknowledged as debt	-	-
- Income tax demands	-	-
- Indirect tax demands	-	-
Total	-	-

(Rs in lakhs)

32 Related Party Disclosure

(i) List of Related Parties

Relationship

Kaushik C. Lodhiya
Chimanlal L. Lodhiya
Viral P. Lodhiya
Sheetal P. Lodhiya
Urmilaben C. Lodhiya
Payal K. Lodhiya
Shreeji Trading Co. (Prop: Pankaj Lodhiya)
Jay Rathod
Shruti Shingala
Dilipkumar Lakhi
Manish Lakhi
Meenti Mehta
Shreeji Ornaments Private Limited
Ariplutus Metals Pvt. Ltd.
Virmit Jewels Private Limited
Lodhiya Foundation

Director
Director
Director
Director
Wife of Director
Wife of Director
Relative of Director
Company Secretary
Chief Financial Officer
Shareholder
Shareholder
Shareholder
Sister concern
Sister concern
Sister concern
Directors of the company are having significant influence



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

(ii) Related Party Transactions

Particulars	Relationship	(Rs in lakhs)	
		31 March 2024	31 March 2023
Sales			
- Shreeji Ornaments Private Limited	Sister concern	906.14	2,415.00
- Aripulus Metals Pvt. Ltd.	Sister concern	13.42	1,180.13
- Shreeji Trading Co. (Prop: Pankaj Lodhiya)	Relative of Director	-	1,864.61
Purchase			
- Shreeji Ornaments Private Limited	Sister concern	-	1,962.18
- Aripulus Metals Pvt. Ltd.	Sister concern	-	481.94
- Virmit Jewels Private Limited	Sister concern	-	4.88
Loan Taken			
- Aripulus Metals Pvt. Ltd.	Sister concern	20,043.00	10,818.69
- Viral P. Lodhiya	Director	-	255.69
- Shreeji Ornaments Private Limited	Sister concern	15,293.19	-
Loan Repayment			
- Aripulus Metals Pvt. Ltd.	Sister concern	20,243.00	10,618.69
- Viral P. Lodhiya	Director	-	0.01
- Shreeji Ornaments Private Limited	Sister concern	14,393.19	-
Business Promotion Exp			
- Aripulus Metals Pvt. Ltd.	Sister concern	-	1.82
Director's salary			
- Viral P. Lodhiya	Director	60.00	56.82
Reimbursement of Expense			
- Viral P. Lodhiya	Director	14.53	15.64
- Kaushik C. Lodhiya	Director	19.98	16.15
Rent			
- Sheetal P. Lodhiya	Director	6.60	6.60
- Urmilaben C. Lodhiya	Wife of Director	6.60	6.60
- Payal K. Lodhiya	Wife of Director	6.60	6.60
Refining Charges			
- Virmit Jewels Private Limited	Sister concern	-	5.40
Gold Sales			
- Virmit Jewels Private Limited	Sister concern	-	0.30
Salary			
- Shruti Shingala	Chief Financial Officer	17.55	14.06
- Jay Rathod	Company Secretary	8.45	6.55
CSR Expense			
- Lodhiya Foundation	Directors of the company are having significant influence	22.50	12.00
Jobwork and refining Charges			
- Shreeji Ornaments Private Limited	Sister concern	2.67	-
- Aripulus Metals Pvt. Ltd.	Sister concern	1.10	-

33 Title deeds of Immovable Property not held in the name of the Company

Relevant item in the Balance Sheet	Description of item of Property	31 March 2024	31 March 2023	Title deeds held in the name of	Title Holder	Property held since which date	Reason for not held in the Company name
PPE	-	-	-				
Investment Prope	-	-	-				
PPE retired from	-	-	-				
Others	-	-	-				

There are no such Immovable Property which are not held in the name of company.



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

34 Loans and Advances given to Related Parties

There are not any loans and advances given to any related party.

35 Security of Current Assets Against Borrowings

Inventory
Trade Receivables

Reconciliation between Current Assets as per Quarterly statement filed with Bank and Current Asset as per Books of Account (Rs in lakhs)

Particulars	Jun, 2023	Sept, 2023	Dec, 2023	Mar, 2024
Current Assets as per Quarterly Return filed with Bank	19,791.82	13,204.65	15,827.74	8,902.64
Add:				
Stores and spares not considered in stock statement	34.41	34.41	34.41	-
Export Debit Note Accounted later	-	48.25	-	-
Sales Bill accounted later Advance received earlier	-	102.73	-	-
Currency Rate Difference Accounted Later.	-	10.76	-	45.06
Debtors Not Considered in stock statement by Error	-	-	-	843.64
Less:				
Valuation Difference	-	-	-	355.69
Invoice Raised on 03.07.24 has been erroneously included in debtors	468.71	-	-	-
IGST refund Entry has been done at the time of receipt of the IGST	28.58	24.00	34.47	1.43
Debtors writeoff	-	-	1.46	-
Current Assets as per Books of Account	19,328.95	13,376.80	15,826.22	9,434.23

Reconciliation between Current Assets as per Quarterly statement filed with Bank and Current Asset as per Books of Account (Rs in lakhs)

Particulars	Jun, 2022	Sept, 2022	Dec, 2022	Mar, 2023
Current Assets as per Quarterly Return filed with Bank	-	-	-	-
Current Assets as per Books of Account	-	-	-	-

Quarterly returns or statement of current assets filed by the company with banks or financial institution are NOT in agreement with the books of account.

36 Details of Benami Property held

Particulars	Details
Particulars of Property	-
Year of Acquisition	-
Amount	-

No proceedings are initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rule made thereunder.

37 Date of declaration as wilful defaulter

Date of declaration as wilful defaulter

The board of directors of the Company is of the opinion that the Company has, till the date of signing of this financial statement, not been declared as wilful defaulter by its banks or financial institution

38 Relationship with Struck off Companies

On the basis of confirmation with the parties, the board of directors of the Company is of the opinion that the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

39 Registration of Charge

No charges or its satisfaction is yet to be registered with Registrar of Companies.



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

40 Compliance with number of layers of companies
Not Applicable

41 Ratio Analysis

Particulars	Numerator/Denominator	31 March 2024	31 March 2023	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.77	1.32	34.12%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$	0.21	0.70	-70.24%
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$	5.34	3.84	39.07%
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	13.70%	15.87%	-13.66%
(e) Inventory turnover ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories}}$	70.43	78.45	-10.23%
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Trade Receivable}}$	64.87	84.74	-23.45%
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Trade Payable}}$	50.18	59.63	-15.84%
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Closing Working Capital}}$	70.67	100.96	-30.01%
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	0.24%	0.19%	26.12%
(j) Return on Capital employed	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	21.71%	19.33%	12.29%
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	0.00%	0.00%	

Reasons for Variances

- (a) Due to decrease in Current assets and Current liabilities, this ratio has changed as compared to previous year.
 (b) Due to decrease in Debt, this ratio has decreased.
 (c) Due to decrease in Debt and decrease in earnings, this ratio has increased.
 (h) Due to decrease in turnover, this ratio has decreased
 (i) Due to increase in profit and decrease in turnover as compared to previous year, this ratio has increased.

Disclosure where company has given loan or invested to other person or entity to lend or invest in another person or entity

42

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/s or entity/ies including foreign entity/ies ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall lend or invest in party ("Ultimate Beneficiaries) identified by or on behalf of the Company.

Disclosure where company has received fund from other person or entity to lend or invest in other person or entity

43

The Company has not received any fund from any party(s) ("Funding Party/ies"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiary.



Sovereign Metals Limited, Ahmedabad
(CIN: U27109GJ2012PLC069162)
Notes forming part of the Financial Statements

44 Undisclosed Income

1. The Company has not disclosed any transaction not recorded in books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 and also not recorded any previously unrecorded income and related assets .

45 CSR Expenditure

Particulars	(Rs in lakhs)	
	31 March 2024	31 March 2023
Amount required to be spent by the company during the year	14.90	11.91
Amount of expenditure incurred	22.50	12.00

Nature of CSR activities

Donation

Details of related party transactions

Donation to Lodhiya Foundation.

46 Details of Crypto Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ended on 31 March, 2024

47 DETAILS OF AMOUNT OF BORROWINGS FROM BANKS AND FINANCIAL INSTITUTION NOT USED FOR THE PURPOSE FOR WHICH SUCH BORROWINGS ARE TAKEN

During the financial year 2023-24, the Company has not used the borrowing from banks and financial institution for the purposes other than those for which such borrowings were raised

48 Regrouping

Figures of Previous year have been regrouped, rearranged & reclassified wherever necessary.

As per our report of even date
For M/s. J C RANPURA & CO
Chartered Accountants
Firm's Registration No. 108847W



Ketan Y. Shah
Partner
Membership No. 118411
UDIN: 24118411BJZXDH3936

For and on behalf of the Board of
Sovereign Metals Limited, Ahmedabad

Kaushik Lodhiya
Kaushik Lodhiya
Director
DIN:02060605

Viral Lodhiya
Viral Lodhiya
Managing Director
DIN:08228595

S.N. Shingala
Shruti Shingala
Chief Financial Officer

Jay Rathod
Jay Rathod
Company Secretary

Place: Rajkot
Date: 2 September 2024

M No. A37589
Place: Rajkot
Date: 2 September 2024