

10th  
**ANNUAL REPORT**  
(For the financial year 2020-21)

**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](mailto:info@sovereignmetals.in)

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## COMPANY INFORMATION

### **BOARD OF DIRECTORS**

Mr. Chimanlal Laljibhai Lodhiya	Director
Mr. Kaushik Chimanlal Lodhiya	Director
Mr. Viral Pankaj Lodhiya	Whole Time 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	Whole Time Director
Ms. Grishma Narottambhai Bhimajiyani	Company Secretary

### **STATUTORY AUDITOR**

M/S. J.C. RANPURA & CO.  
Star Avenue First Floor,  
Dr. Radhakrishnan Road,  
Opp. Rajkumar College Rajkot-360001.  
Phone: 0281-2480034  
Email: [contact@jcranpura.com](mailto:contact@jcranpura.com)

### **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](http://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](mailto:info@sovereignmetals.in)  
Website: <https://sovereignmetals.in>

#### **Corporate Office Address:**

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



## **NOTICE**

**NOTICE** is hereby given that the **10<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **SOVEREIGN METALS LIMITED** will be held on 30<sup>th</sup> September, 2021 on Thursday through the mode of Video Conferencing at 11.30 a.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 31<sup>st</sup> March, 2021, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sheetal P. Lodhiya (DIN – 07991942), who retires by rotation and being eligible, offers herself for re-appointment.

### **SPECIAL BUSINESS:**

3. APPROVAL FOR APPOINTMENT OF MR. VIRAL PANKAJ LODHIYA(DIN: 08228595) AS MANAGING DIRECTOR AND TERM OF REMUNERATION:  
And in this regard to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 196, 197,198 read with Schedule V and section 203 and other applicable provisions, if any, of the Companies Act 2013 and relevant rules made thereunder, including any statutory amendments or re-enactments thereof, and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard, the appointment made by Board of Directors of the Company on the recommendation of Nomination and remuneration Committee, of Mr. Viral P. Lodhiya (DIN: 08228595) as a Managing Director of the Company for a period of five (5) years with effect from September 06, 2021 to September 05, 2026 at a remuneration of Rs. 3,50,000 p.m. for a period 3 years effective from September 01,2021 and whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions as set out in the Explanatory Statement annexed hereto be and is hereby approved and ratified by the Members of the Company.”

“RESOLVED FURTHER THAT Mr. Viral P. Lodhiya (DIN: 08228595) shall have the right to manage the day-to-day business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company and shall have the right to exercise such powers of Management of the Company, from time to time, as may be delegated to him by the Board of Directors.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”



4. RE-APPOINTMENT OF MR. KALPAKBHAI ARVINDBHAI MANIAR (DIN: 00369957) AS INDEPENDENT DIRECTOR OF THE COMPANY FOR A PERIOD OF 5 YEARS

And in this regard to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTION:


“RESOLVED THAT Pursuant to provision of Section 149, 152 and 160 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Schedule IV and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kalpakbhai Arvindbhai Maniar (DIN: 00369957) who was appointed as an Independent Director of the Company for a period of 2 Years w.e.f 07<sup>TH</sup> August, 2020 and in respect of whom the Company has pursuant to provision of Section 160 of Companies Act, 2013, received a notice in writing proposing his candidature for the office of Independent Director for a period of 5 years, Mr. Kalpakbhai Arvindbhai Maniar (DIN: 00369957) be and is hereby re-appointed as an Independent Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> October, 2021 and he shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

Place: Rajkot

Date: 06<sup>th</sup> September, 2021

By Order of the Board of  
SOVEREIGN METALS LIMITED  
**SOVEREIGN METALS LIMITED.**

  
**DIRECTOR.**  
Viral Pankaj Lodhiya  
Whole Time Director  
(DIN: 08228595)



## NOTES:

1. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no. 03 & 04 is annexed hereto. A brief profile of directors seeking appointment/Re-appointment at ensuing AGM is attached as **Annexure 01** to this report.
2. 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, 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 10th Annual General Meeting will be held through Video Conferencing ("VC")/Other Audio Visual Means(OAVM).
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 5 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: 06<sup>th</sup> September, 2021

By Order of the Board of  
SOVEREIGN METALS LIMITED

**SOVEREIGN METALS LIMITED.**

*Viral Pankaj Lodhiya*

**DIRECTOR.**

Viral Pankaj Lodhiya  
Whole Time Director  
(DIN: 08228595)



ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3:**

Mr. Viral P. Lodhiya (DIN: 08228595), presently is a Whole-Time Director of the Company and it is proposed to appoint him as Managing Director of the Company for a term of five (5) years. Mr. Viral P. Lodhiya (DIN: 08228595) is eligible for appointment as a Managing Director under the provisions of the Companies Act, 2013 and rules made thereunder. In terms of section 152, Mr. Viral P. Lodhiya (DIN: 08228595) has consented to act as a Managing Director of the Company.

Accordingly, on the recommendation of Nomination and Remuneration Committee, Board of Directors of your Company in its meeting held on September 06, 2021 has approved the appointment and terms of remuneration of Mr. Viral P. Lodhiya (DIN: 08228595) as a Managing Director of the Company, for a period of five (5) years starting from September 06, 2021 to September 05, 2026.

The terms and conditions of his appointment and remuneration are set out in the Resolution proposed to be passed, including the following:

- (a) The term of Managing Director's appointment is for a period of five (5) years with effect from September 06, 2021 to September 05, 2026. He shall be liable to retire by rotation.
- (b) Amount of Rs. 3,50,000 p.m. will be paid as Remuneration w.e.f 01<sup>st</sup> September, 2021 for a period of 3 years and further, no sitting fee shall be payable to the Managing Director during his tenure for attending any meeting of the Board or a Committee thereof.
- (c) The Managing Director shall be reimbursed for all the expenses incurred by him for travelling, boarding and lodging during his business trips conducted on behalf of the Company. These reimbursement of expenses will not be included in the calculation of the remuneration of the Managing Director.
- (d) The Managing Director shall adhere to various policies, code of conduct, staff rules of the Company as may be applicable by virtue of his office for the purpose of discharging his official duties/powers as delegated by the Board from time to time.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Viral P. Lodhiya (DIN: 08228595) under Section 190 of the Companies Act, 2013.

Brief profile covering the details of his qualification, experience etc as required pursuant to Secretarial Standards on General Meeting, is annexed to this Notice. The Board believes that the appointment of Managing Director shall be greatly beneficial, especially in the operations of the Company.



In furtherance pursuant to provision of section 196(4) of the Companies Act, 2013, the terms and conditions of appointment of Managing Director and remuneration payable approved by the Board of Directors, shall be subject to approval by a resolution at the next general meeting of the Company and accordingly, consent of the Members is sought for passing an Special Resolution as set out in item no. 3 of the accompanying Notice for appointment and terms of remuneration of Mr. Viral P. Lodhiya (DIN: 08228595) as the Managing Director of the Company for a period of five (5) years w.e.f September 06, 2021 to September 05, 2026.

Accordingly, the Board recommends the Special resolution set out in item no. 3 for approval of the members.

Mr. Viral Pankaj Lodhiya, Whole Time Director (DIN: 08228595) of the Company being appointee is interested in this resolution and Mrs. Sheetal P. Lodhiya, Director (DIN: 07991942) of the Company being relative is interested in this resolution except this no other Directors or Key Managerial Personnel of the Company including their relatives is concerned or interested in the Resolution, financially or otherwise, except the extent of their shareholding, if any, in the Company.

**In terms of the requirements as per sub-clause (iv) of the proviso to Section II of Part II of Schedule V to the Act, the information is as furnished below:**

I. GENERAL INFORMATION:				
1.	Nature of industry	Manufacturing & Trading of Gold, Diamond, Silver & Jewellery from Gold, Diamond, Silver and dealing in Commodity		
2.	Date or expected date of commencement of commercial production	Already commence		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Already commence		
4.	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31st March, 2021:		
		Revenue from operations:-	47412854458	
		Other Income:	27351947	
		Total Expenditure:	47390498982	
		Net Profit before tax:	49707423	
		Profit/Loss after tax (after deducting comprehensive income):	30577319	
5.	Export performance and foreign exchange earned for the financial year ended 31st March, 2020	Foreign Exchange Earning And Out Go:		
		Particular	2020-21 (in Rs.)	2019-20 (in Rs.)
		i. Total foreign	3,18,64,626.56	24,99,06,27,655.00



		exchange used (Rs.)		
		ii. Total foreign exchange earned on F.O.B basis (Rs.)	3,33,13,912.66	52,13,97,108.97
6.	Foreign investments or collaborations, if any.	No such investment or collaboration		

## II. INFORMATION ABOUT THE APPOINTEE:

1.	Background details	Name:- Mr. Viral Pankaj Lodhiya Designation:- Whole-Time Director Date of Birth: 12/10/1995 Age:- 25 years & 11 Months Experience:-Having experience of 3 years & having wide experience as all family members are engaged since many years in this business. Qualification:- MASTER in International Management Mr. Viral Lodhiya is appointed as Director of the Company on 19/09/2018 & appointed as Whole-Time Director since 10/06/2019. Mr. Viral Pankaj Lodhiya is Director in the following other Company:	
		Company	Designation
		ARIPLUTUS METALS PRIVATE LIMITED w.e.f 10/01/2019 (CIN: U15100GJ2019PTC105991)	Director
		VIRMIT JEWELS PRIVATE LIMITED w.e.f 18/07/2020 (CIN: U27200GJ2020PTC114764)	Director
		SALACIA EXIM PRIVATE LIMITED w.e.f 23/12/2020 (CIN: U51909GJ2020PTC119040)	Director
2.	Past remuneration	Rs. 3,50,000/- per month	
3.	Recognition or awards	-	
4.	Job profile and his suitability	As stated above, whole Family of Mr. Viral Lodhiya is engaged in business of the Company of dealing in gold/silver and ornaments from the same since many years and in furtherance, Mr. Viral Lodhiya is having a degree of Master in International Management and having vast knowledge in the field of Management and Business Strategies and as such he is best suitable person for right decision making in the management and developing strategies for the growth and development of the Business and considering his experience and rich knowledge, this increase in remuneration is compatible with his Job profile and as such it is proposed to him as Managing Director of the Company. Management is having trust that under his young dynamic leadership and rich knowledge, Company will grow and develop.	
5.	Remuneration proposed	Rs. 3,50,000 Per Month for a period of three Years w.e.f. 1st September, 2021.	
6.	Comparative remuneration profile with respect to	The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the	



	industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Companies of the same size.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	Apart from Mr. Viral Lodhiya is a Whole-time Director of the Company, he holds 1,09,08,000 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity i.e. holding 18%. Mr. Viral Lodhiya is son of Mrs. Sheetal P. Lodhiya who is Director of the Company.

### III. OTHER INFORMATION

1.	Reasons of loss or inadequate profits	<p>The Company has reported a turnover of Rs. 474128.54 Lacs for the year ended on 31st March, 2021 as against Rs. 352053.87 Lacs for the previous year ended on 31st March, 2020.</p> <p>The Company has reported a net loss/profit after tax of Rs. 305.77 Lacs for F.Y.2020-2021 as against net loss after tax of Rs. 196.82 Lacs for F.Y.2019-2020.</p> <p>The proposed remuneration is less than and within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.</p>
2.	Steps taken or proposed to be taken for improvement	The Company has initiated several measures towards achieving organizational and operating efficiencies, alongside working on improvements in process and controls. Have analyzed factors such as manufacturing, supply, chain, quality and other domains and cost controls, value analysis etc.
3.	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability will improve and would be comparable with the industry average.

### (IV) DISCLOSURES

1.	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration to Mr. Viral P. Lodhiya is stated above : i.e. Rs. 3,50,000 Per Month for a period of three Years w.e.f. 1st September, 2021
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**Item No. 4:**

Mr. Kalpakbhai Arvindbhai Maniar [DIN: 00369957], has been appointed as an Independent Director of the Company w.e.f. 07<sup>th</sup> August, 2021 for a period of Two (2) years.

Now, Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company for a period of five (5) years. Mr. Kalpakbhai Arvindbhai Maniar [DIN: 00369957] is eligible for re-appointment as Independent Director of the Company. Hence, In terms of Sections 149, 152, and 160 and Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, Mr. Kalpakbhai Arvindbhai Maniar [DIN: 00369957], being eligible is proposed to be re-appointed as an Independent Director of the Company for a period of five (5) years w.e.f. 1<sup>st</sup> October, 2021 and he is not liable to retire by rotation.

In the opinion of the Board, Mr. Kalpakbhai Arvindbhai Maniar [DIN: 00369957] fulfils the conditions as specified in the Companies Act, 2013, and rules made there under for his re-appointment as an Independent Director of the Company and is independent of the management.

Except Mr. Kalpakbhai Arvindbhai Maniar [DIN: 00369957], being an appointee, none of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 4.

Your Directors recommend the resolution as at Item No 4 for your approval and to be passed as Special Resolution.

Place: Rajkot

Date: 06<sup>th</sup> September, 2021

By Order of the Board of  
SOVEREIGN METALS LIMITED  
SOVEREIGN METALS LIMITED.

*Viral Pankaj*

**DIRECTOR.**  
Viral Pankaj Lodhiya  
Whole Time Director  
(DIN: 08228595)



**Annexure -1**

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

Name of Director	SHEETAL P. LODHIYA	VIRAL PANKAJ LODHIYA	KALPAKBHAI ARVINDBHAI MANIAR
Date of Birth	19/12/1974	12/10/1995	24/11/1961
Date of Appointment	15/11/2017	19/09/2018 as Director & 10/06/2019 as Whole-Time Director	07/08/2020
Expertise in Specific functional area	Expertise in the field of Management & Administration	Expertise in the field of Management & Administration	Financial & Accountancy
Experience	Having wide experience as all family members are engaged since many years in this business	Having Experience of 3 years & having wide experience as all family members are engaged since many years in this business	34 Years
Education Qualification	B.Com. First year complete	MASTER in International Management	B.Com. Chartered Accountant (CA)
List of other public companies in which Directorship held	NIL	NIL	NIL
Shareholding in this company	24,24,000 Equity Shares (4%)	1,09,08,000 Equity Shares (18%)	NIL
Relationship with Other Directors	Mother of Mr. Viral P. Lodhiya	Son of Mrs. Sheetal P. Lodhiya	None

Place: Rajkot

Date: 06<sup>th</sup> September, 2021

By Order of the Board of  
SOVEREIGN METALS LIMITED  
**SOVEREIGN METALS LIMITED.**

*Viral Lodhiya*

Viral Pankaj Lodhiya  
Whole Time Director  
(DIN: 08228595)





**SOVEREIGN  
METALS LIMITED**

**BOARD'S REPORT**

**To,  
The Members,**

Your Directors have pleasure in presenting before you the 10<sup>th</sup> Annual Report along with the Audited Balance sheet And Profit & Loss Account for the Year ended 31<sup>st</sup> March 2021.

**1. FINANCIAL RESULT:**

**(Amount in Rs. In Lacs)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Revenue from Operation	474128.54	352053.87
Other Income	273.51	3190.16
<b>Total Revenue</b>	<b>474402.06</b>	<b>355244.03</b>
Profit & (Loss) before depreciation, Interest & tax	1462.84	907.46
Less : Interest/Finance Cost	528.13	368.28
Profit & (Loss) Before Depreciation & Tax	934.71	539.18
Less: Depreciation and Amortization Expense	437.63	501.02
Profit&(Loss) after Depreciation Before Tax	497.08	38.16
Add: Exceptional items	0	0
Profit before Tax	497.08	38.16
Less:		
Current Tax	-	-
Earlier year Tax	-	0.02
Deferred Tax Asset/(Liabilities)	191.30	(235.00)
MAT Credit Entitlement	-	-
<b>Net Profit &amp; (Loss) for the period</b>	<b>305.78</b>	<b>(196.82)</b>

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

Company is engaged in Manufacturing and Trading of Gold, Gold Ornaments and Diamond Jewellery and Silver ornaments. During the year, Company has earned total Income of Rs. 474402.06 Lacs in comparison to previous year of Rs. 352482.41 Lacs. Company has incurred Profit of Rs. 305.77 Lacs as against Loss of Rs. 196.83 Lacs in previous year. Object of the Company is depend upon market Situation but very demanding business and Management is working hard and will strive hard to increase the profit and future of the Company seems to be bright. Even though the year 2020-21 was tough for whole world due to spread of Covid-19 pandemic, but management of the Company was able to manage the tough situation and at present also continuously analyzing the

Sovereign Metals Limited

Corporate Identity Number - U27109GJ2012PLC069162

(formerly Edelweiss Metals Ltd upto Oct 13, 2017; Edelweiss Metals Pvt Ltd upto Mar 18, 2014; Edelweiss Precious Metals Pvt Ltd upto Dec 19, 2013)

Registered Office - Plot No. 35p, 36p, 37p, 38 & 40b, Phase - 3, Naroda, G.I.D.C, Ahmedabad-382330 ☎ +91 79 6621 2400

Corporate Office - 31, Shaligram Complex, Bhupendra Road, Rajkot-360001 ☎ +91 281 2225988 📠 +91 281 2234744

Email: info@sovereignmetals.in | www.sovereignmetals.in



effect of the Covid-19 pandemic on the business of the Company and accordingly making the decisions and Management is hopeful to manage the situation.

Company has its Head office at Ahmedabad and Branch at Mumbai, Delhi, Coimbatore.

### **3. DIVIDEND:**

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:**

During the year Company has increased the Authorised Share Capital from Rs. 5,05,00,000 to Rs. 60,60,00,000. And the Company has issued and allotted 5,55,50,000 number of Equity shares on right basis on 09<sup>th</sup> November, 2020 to the existing shareholders and increased the paid up capital to Rs. 60,60,00,000, divided into 6,06,00,000 Equity Shares of Rs. 10/- each.

Accordingly, the Authorized and Paid- up Share Capital of the Company as on 31st March, 2021 was Rs. 60,60,00,000 divided into 6,06,00,000 Equity Shares of Rs. 10/- each. During the year ended, 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.

### **6. DEMATERIALISATION 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 Loans, Guarantees and has not made any Investments covered under 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 31<sup>st</sup> March 2021, there were unsecured loan from Directors of Rs. 2.56 Crores and loan from Shareholders of Rs. 7.42 Crores as per Bank Stipulation.



**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.

**11. MAJOR EVENTS:**

No major events have been occurred during the year except that due to spread of Covid-19 pandemic, smooth operation flow of business is affected due to lock down as per order of Central Government of India.

**12. CHANGE IN THE NATURE OF BUSINESS:**

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

**13. HOLDING/SUBSIDIARY/ASSOCIATE:**

As on 31<sup>st</sup> March, 2021, there is 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 2020-21.

**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 extent it is applicable.



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

During the Year and as on the date of report, following changes have taken place in the Board of the Company:

- Pursuant to Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hasmukhlal Popatlal Delawala (DIN – 08725350) was appointed as an Additional Independent Director by the Board of Directors with effect from 19th May, 2020 and regularized and appointed as an Independent Director of the Company in last AGM for a period of 5 (Five Years) w.e.f 19th May, 2020 and he shall not be liable to retire by rotation.
- Pursuant to Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kalpak A. Maniar (DIN – 00369957) was appointed as an Additional Independent Director by the Board of Directors with effect from 7th August, 2020 and regularized and appointed as an Independent of the Company in last AGM for a period of 2 (Two Years) w.e.f 07th August, 2020 and he shall not be liable to retire by rotation.
- Pursuant to provision of section 152(6) of the Companies Act, 2013, Mrs. Sheetal Pankaj Lodhiya (DIN: 07991942) is liable to retire by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.
- Pursuant to the provisions of Section 196, 197, 198 read with schedule V, 203 and other applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard, including any statutory amendments, modifications or re-enactment thereof, Board of Directors on the recommendation of Nomination and Remuneration Committee has appointed Mr. Viral Pankaj Lodhiya (DIN: 08228595) as Managing Director of the Company for period of five (5) years with effect from September 06 , 2021 to September 05, 2026, liable to retire by rotation and fix the remuneration of Rs. 3,50,000 p.m. and the terms of appointment and remuneration shall be subject to approval of the shareholders of the Company in ensuing Annual General Meeting.
- In Furtherance, Company has received a notice in writing proposing candidature for the office of Independent Director for Mr. Kalpakbhai Arvindbhai Maniar (DIN: 00369957) for a period of 5 years and accordingly it is proposed to re-appoint him as an Independent Director of



the Company for a period of five (5) years w.e.f. 1<sup>st</sup> October, 2021 and he shall not be liable to retire by rotation.

- Brief profiles of directors to be appointed/Re-appointed is attached as **Annexure -1** to this Report.

As on 31<sup>st</sup> March, 2021 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	Whole time Director	08228595
5	Mr. Hasmukhlal P. Delawala	Independent Director	08725350
6	Mr. Kalpalkbhai A. Maniar	Independent Director	00369957
7	Ms. Grishma Narottambhai Bhimajiyani	Company Secretary	BYEPB8380F

#### **17. DECLARATION BY INDEPENDENT DIRECTORS:**

Pursuant to Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), during the year 2020-21, Mr. Hasmukhlal Popatlal Delawala (DIN – 08725350) and Mr. Kalpak A. Maniar (DIN – 00369957) were appointed as 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.

#### **18. CORPORATE SOCIAL RESPONSIBILITY:**

Section 135 of the Companies Act, 2013 is applicable. During the year no amount needed to be spent, as the Company has incurred average net loss instead of average net profit considering the Profit/Loss of the three immediately preceding financial years. Enclosed Annual Report on CSR Activities as **Annexure – 3.**

In furtherance, Unspent amount that was required to be spend in the year 2019-20, was spent by the Company on 26<sup>th</sup> August, 2020 i.e. after closing of financial Year Company has spend amount of Rs. 1,00,000/- for CSR Activities for the year 2019-20.

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



## **19. COMMITTEES OF BOARD:**

During the year, Company has following Committees of Board,

### **- Audit Committee:**

Pursuant to requirement of provision of section 177 of the Companies Act, 2013, Company has framed Audit Committee and reconstituted during the year 2020-21 and composed of following members as on 31<sup>st</sup> March, 2021:

1) on 19/05/2020:

Mr. Hasmukhlal P. Delawala- Independent Director –Chairman  
Mr. Chimanlal L. Lodhiya – Non-Executive Director - Member  
Mr. Kaushik C. Lodhiya - Non-Executive Director – Member

2) on 07/08/2020

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

During the year, 2020-21, Audit Committee has met three (3) times on 19-05-2020, 01-09-2020 and 01-03-2021.

The Board has accepted all the recommendations of Audit committee.

### **- Nomination & Remuneration Committee:**

Pursuant to requirement of provision of section 178 of the Companies Act, 2013, Company has framed Nomination & Remuneration Committee and reconstituted during the year 2020-21 and composed of following members as on 31<sup>st</sup> March, 2021:

1) on 19/05/2020:

Mr. Hasmukhlal P. Delawala- Independent Director –Chairman  
Mr. Chimanlal L. Lodhiya – Non-Executive Director - Member  
Mr. Kaushik C. Lodhiya - Non-Executive Director – Member

2) on 07/08/2020

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

The Terms of Reference of Nomination & Remuneration Committee were as per section 178 of the Companies Act, 2013.



The Company has framed Nomination & Remuneration policy and annexed as **Annexure – 4**.

During the year, 2020-21, Nomination & Remuneration Committee has met three (3) times on 18-05-2020, 06-08-2020 and 31-08-2020.

- **Corporate Social Responsibility Committee:**

Pursuant to requirement of provision of section 135 of the Companies Act, 2013, Company has framed Corporate Social Responsibility Committee and reconstituted Corporate Social Responsibility Committee on 19/05/2020 and composed of following members as on 31<sup>st</sup> March, 2021:

Mr. Kaushik C. Lodhiya - Non-Executive Director – Chairman  
Mr Chimanlal L. Lodhiya.– Non-Executive Director - Member  
Mr. Hasmukhlal P. Delawala- Independent Director –Member

The Terms of Reference of Corporate Social Responsibility Committee were as per section 135 of the Companies Act, 2013 and CSR Policy.

During the year, 2020-21, Corporate Social Responsibility Committee has met Two (2) times on 23-05-2020 and 31-08-2020.

**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. 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, Whole-Time Director of the Company. During the year 2020-21 he was paid remuneration of Rs. 42.00 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.

## **22. NUMBER OF MEETING OF THE BOARD:**

The Board has met 10 (Ten) times during the year 2020-21. Board Meetings were held on 19-05-2020, 29-07-2020, 07-08-2020, 01-09-2020, 06-10-2020, 18-10-2020, 22-10-2020, 09-11-2020, 22-01-2021 and 01-03-2021.

The presence of Directors in the Meetings is as mentioned below and CS Ms. Grishma Bhimajiyani has also attended the Board meetings and Committee Meetings:

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. Kalpakbhai 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	Whole-Time Director DIN: 08228595
1	19-05-2020	Y	N.A.	N.A.	Y	Y	Y
2	29-07-2020	Y	Y	N.A.	Y	Y	Y
3	07-08-2020	Y	Y	N.A.	Y	Y	Y
4	01-09-2020	Y	Y	Y	Y	Y	Y
5	06-10-2020	Y	Y	Y	Y	Y	Y
6	18-10-2020	Y	Y	N	Y	Y	Y
7	22-10-2020	Y	Y	Y	Y	Y	Y
8	09-11-2020	Y	Y	Y	Y	Y	Y
9	22-01-2021	Y	N	N	Y	Y	Y
10	01-03-2021	Y	N	N	Y	Y	Y



Separate meeting of Independent Directors was held on 22<sup>nd</sup> January, 2021 without the presence of other executive directors of the Company.

### **23. 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.

### **24. RISK MANAGEMENT POLICY:**

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

### **25. AUDITOR AND AUDITORS' REPORT:**

#### **STATUTORY AUDITORS**

Pursuant to provision of section 139 of the Companies Act, 2013, in 08<sup>th</sup> Annual General Meeting convened on 30<sup>th</sup> September, 2019, Members have appointed M/s. J.C. RANPURA & CO., (FRN:108647W), Chartered Accountants as Statutory Auditor of the Company to hold office for a continuous period of Five years i.e. from 2019-20 till the conclusion of Annual General Meeting of the Financial year 2023-24 and M/s. J.C. RANPURA & CO is eligible to continue to act as Statutory auditor of the Company till the Conclusion of Annual General Meeting of the Financial year 2023-24 and the Statutory Auditor has confirmed their eligibility and submitted the certificate in writing that they are not disqualified to continue to hold the office of Statutory auditor of the Company.



### **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 2020-21.

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**.

### **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.

### **26. 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, 2021 is available on the Company's website on [www.https://sovereignmetals.in](http://www.https://sovereignmetals.in)

### **27. 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.



**28. 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. 94,42,873/-
- 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. 3,33,13,912.66  
Foreign Out Go : Rs. 3,18,64,626.56

**29. 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.

**30. 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.


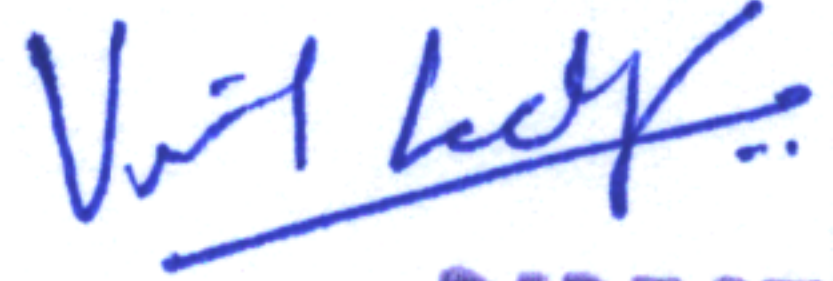


**ACKNOWLEDGEMENT:**

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: 06<sup>th</sup> September, 2021

Place: Rajkot

For and On behalf of  
SOVEREIGN METALS LIMITED  
SOVEREIGN METALS LIMITED. SOVEREIGN METALS LIMITED.  
  
DIRECTOR.  
Kaushik C. Lodhiya  
Director  
DIN: 02060605  
  
DIRECTOR.  
Viral P. Lodhiya  
Whole Time Director  
DIN: 08228595





# SOVEREIGN METALS LIMITED

## 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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length Basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis :

Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ 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	64,94,84,616	19-05-2020	NIL
Shreeji Ornaments Private Limited (Group Company)	Purchase of goods	Continuous & Approved omnibus yearly	1,06,66,40,556	19-05-2020	NIL
Shreeji Ornaments Private Limited (Group Company)	Reimbursement of Expense	Approved yearly	18,76,16,764	19-05-2020	NIL
Ms. Payal K. Lodhiya (Wife of Director)	Rent	Approved yearly	600000.00	19-05-2020	NIL
Ms. Urmilaben C. Lodhiya (Wife of Director)	Rent	Approved yearly	600000.00	19-05-2020	NIL
Ms. Sheetal P. Lodhiya (Director)	Rent	Approved yearly	600000.00	19-05-2020	NIL

For and On behalf of  
SOVEREIGN METALS LIMITED

Sovereign Metals Limited

Corporate Identity Number - U27109GJ2012PLC069162

(formerly Edelweiss Metals Ltd upto Oct 13, 2017; Edelweiss Metals Pvt Ltd upto Mar 18, 2014; Edelweiss Precious Metals Pvt Ltd upto Dec 19, 2013)

Registered Office - Plot No. 35p, 36p, 37p, 38 & 40b, Phase - 3, Naroda, G.I.D.C, Ahmedabad-382330 ☎ +91 79 6621 2400

Corporate Office - 31, Shaligram Complex, Bhupendra Road, Rajkot-360001 ☎ +91 281 2225988 📠 +91 281 2234744

Email: info@sovereignmetals.in | www.sovereignmetals.in



SOVEREIGN METALS LIMITED.

SOVEREIGN METALS LIMITED.

*K C Lodhiya*  
DIRECTOR.

*Viral Lodhiya*  
DIRECTOR.

Date: 06<sup>th</sup> September, 2021  
Place: Rajkot

Kaushik C. Lodhiya  
Director  
DIN: 02060605


Viral P. Lodhiya  
Whole Time Director  
DIN: 08228595



## ANNUAL REPORT ON CSR ACTIVITIES

### ANNEXURE-3

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 <a href="https://sovereignmetals.in">https://sovereignmetals.in</a>				
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).		Not Applicable				
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any						
Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set off for the financial year, if any (in Rs.)				
1	-	NIL	NIL				
6	Average net profit of the Company as per section 135(5)		Profit for CSR for 2017-18 (In Rs.)	Profit for CSR for 2018-19 (In Rs.)	Profit for CSR for 2019-20 (In Rs.)	Total Profit/(Loss) for CSR (In Rs.)	Average Profit (Loss) (In Rs.)
			(8,70,94,599)	(5,97,95,027)	53,15,915	(14,15,73,711)	(4,71,91,237)



SOVEREIGN  
METALS LIMITED

Sovereign Metals Limited

Corporate Identity Number - U27109GJ2012PLC069162

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Corporate Office - 31, Shaligram Complex, Bhupendra Road, Rajkot-360001 ☎ +91 281 2225988 📠 +91 281 2234744

Email: [info@sovereignmetals.in](mailto:info@sovereignmetals.in) | [www.sovereignmetals.in](http://www.sovereignmetals.in)







(C) Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**

(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		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	--	--	--	--	--	--	--	--	--
	Total	--	--	--	--	--	--	--	--

(d) Amount spent in Administrative Overheads :      NIL

(e) Amount spent on Impact Assessment, if Applicable : Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): Nil As Not required to Spend

(g) Excess amount for set off, if any : NIL



Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Average Net Loss of Rs. (4,71,91,237)
(ii)	Total amount spent for the Financial Year	Nil as Not required to Spend
(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

9	(a) Details of Unspent CSR Amount for the preceding three financial years: Not Applicable
---	---

Sr. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial year (in Rs.)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1	-	NIL	-	-	NIL	-	-
	Total	NIL	-	-	NIL	-	-











# **SOVEREIGN METALS LIMITED**

*(Previously known as EDELWEISS METALS LIMITED)*

**(CIN: U27109GJ2012PLC069162)**

(Amended policy on 07/08/2020)

## **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:

- (i) the Public Companies having paid up share capital of ten crore rupees or more; or
- (ii) the Public Companies having turnover of one hundred crore rupees or more; or
- (iii) 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.

### **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:**

- i. "Board" means Board of Directors of the Company.
- ii. "Independent Director" means  
A director referred to in Section 149 (6) of the Companies Act, 2013.
- iii. "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.
- iv. "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
- v. "Policy or This Policy" means "Nomination and Remuneration Policy.
- vi. "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:

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

**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) A 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.

## **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:**

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

Date: 07-08-2020

For and on behalf of the Board of,

Sovereign Metals Limited

**SOVEREIGN METALS LIMITED.**

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**DIRECTOR,**

Hasmukhlal P. Delawala

Chairman

DIN: 08725350