

# SONASELECTION INDIA LIMITED

CIN: U17299RJ2022PLC079631

1 SANGAM TOWER OLD RTO ROAD, GANDHI NAGAR, BHILWARA,  
RAJASTHAN, INDIA, 311001

Email: [harshilnuwal@gmail.com](mailto:harshilnuwal@gmail.com)

Contact: 9829046846

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 02<sup>nd</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2024

### **1. Financial summary or highlights/Performance of the Company** (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	2023-24	2022-23
Revenue from Operation	1,21,08,86,816.00	94,07,43,648.00
Other Income	22,09,949.00	3,57,531.00
Profit before Interest and Depreciation and Tax	28,40,53,408.00	18,08,00,271.00
Finance Cost	4,74,48,754.00	2,44,37,545.00
Depreciation	6,79,69,801.00	3,58,99,473.00
Net Profit before Tax	16,86,34,853.00	12,04,63,253.00
Tax Expense	4,40,01,135.00	8,91,69,835.00
Net Profit after Tax	12,46,33,718.00	3,12,93,418.00

### **2. Brief description of the Company's working during the year/State of Company's affairs**

During the reporting period company's performance was satisfactory in terms of revenue generation as the same has generated revenue from operations of Rs. 1,21,08,86,816.00, after meeting out all the administrative and other expenditures company has earned profit of Rs. 12,46,33,718.00. The Board is taking the necessary steps to improve the performance of the Company and to have better working results in the coming years.

### **3. Change in the nature of business, if any**

There is no change in the nature of business during the year.

### **4. Dividend**

The Board of Directors of the Company has not recommended any Dividend during the Financial Year.

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## 5. Reserves and Surplus

	Particulars	2023-24	2022-23
<b>A</b>	<b>Securities Premium Account</b>		
	Opening Balance	0.00	0.00
	(+) Securities Premium credited on share issue	12,36,00,000.00	12,36,00,000.00
	(-) Written Back in Current Year	0.00	0.00
	<b>Closing Balance</b>	<b>12,36,00,000.00</b>	<b>12,36,00,000.00</b>
<b>B</b>	<b>Capital Reserve</b>		
	Opening Balance	7,87,37,948.00	0.00
	(+) Current Year Transfer	0.00	7,87,37,948.00
	(-) Written Back in Current Year	0.00	0.00
	<b>Closing Balance</b>	<b>7,87,37,948.00</b>	<b>7,87,37,948.00</b>
<b>C</b>	<b>Surplus</b>		
	Opening Balance	3,12,93,418.00	0.00
	(+) Net Profit/(Net Loss) for the current year	12,46,33,718.00	3,12,93,418.00
	<b>Closing Balance</b>	<b>15,59,27,136.00</b>	<b>3,12,93,418.00</b>
	<b>Total</b>	<b>35,82,65,084.00</b>	<b>23,36,31,366.00</b>

## 6. Change Of Name

The Company has not changed its name during this financial year.

## 7. Share Capital

The Authorised Capital of the Company as on March 31, 2024 was Rs. 3,25,00,000.00 and Paid up Equity Share Capital as on March 31, 2024 was Rs. 3,10,00,000.00. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

However, After Closing of Financial Year 2023-2024 and before Signing of the Director Report the Company has increased its Authorised Share Capital from Rs. 3,25,00,000.00 to Rs. 22,00,00,000.00 in the Extra Ordinary General Meeting held on 21.08.2024

Company has also approved the Issuance of 1,24,00,000 Equity shares as Bonus Shares in the Extra Ordinary General Meeting held on 02.09.2024

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Company has also approved the Issuance of Convertible Debentures in the Extra Ordinary General Meeting held on 02.09.2024

## 8. Directors and Key Managerial Personnel

Mr. **Harshil Nuwal**, director of the company who retires by the rotation and offers himself for reappointment.

The constitution of board during the year is as follows:

S. No.	Name	Designation	Din No.	Date of appointment	Date of cessation & Mode of Cessation
1.	SUBHASH CHANDRA NUWAL	Director	00104154	11/02/2022	----
2.	UMA NUWAL	Director	00104156	11/02/2022	----
3.	HARSHIL NUWAL	Director	01474313	11/02/2022	----

## 9. Particulars of Employees and Related Disclosures

The company does not have any employee; as such particulars in pursuance of section 97(12) of the companies act, 2013 read with rule 5 of the companies (appointment and remuneration of managerial personnel) rules, 2014 are not required to be furnished.

## 10. Meetings:

### Board Meetings

During the Financial Year 2023-24, the Company held 10 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S.No.	Date of Meeting	Board Strength	No. of Directors Present
1	03.04.2023	3	3
2	29.04.2023	3	3
3	25.05.2023	3	2
4	28.07.2023	3	3
5	29.07.2023	3	3
6	15.09.2023	3	3

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7	29.09.2023	3	3
8	08.11.2023	3	3
9	22.02.2024	3	3
10	25.03.2024	3	3

## Annual General Meeting

The company has held last Annual General Meeting on 29.09.2023

## Extra Ordinary General Meeting

As per Section 100 of Companies Act, 2013, Company has held One Extra Ordinary General Meeting during the financial year 2023-24 on 28.04.2023

## 11. Board Evaluation

The provision of section 134(3) (p) relating to board evaluation is not applicable on the company.

## 12. Declaration by an Independent Director(s) and re- appointment, if any

The provisions of Section 149 pertaining to the appointment of Independent Directors will be applicable from the financial year 2024-2025. The company is currently in the process of identifying and appointing qualified Independent Directors to enhance our governance framework. The Company is committed to ensuring that our Board comprises individuals with diverse experiences and perspectives, which will contribute to effective decision-making and strategic oversight. This initiative reflects our dedication to promoting transparency, accountability, and adherence to best practices in corporate governance.

## 13. Audit Committee

The provisions of the Audit Committee, as outlined in Section 177 of the Companies Act, 2013, in conjunction with Rule 6 of Chapter XII of the Companies (Meetings of Board and its Powers) Rules, 2014, will be applicable from the financial year 2024-2025. The company recognizes the importance of establishing a robust Audit Committee that will oversee and ensure the integrity of our financial reporting and compliance processes and is in process of establishing the same. This committee will be responsible for reviewing the adequacy of internal controls, evaluating the performance of the statutory auditors, and providing recommendations on financial matters to the Board. We are currently finalizing the composition of the committee to ensure it comprises independent and qualified members. This initiative underscores our commitment to upholding high standards of corporate governance and accountability. Regular updates will be provided to stakeholders as we implement the necessary measures to establish an effective Audit Committee in compliance with the applicable regulations.

## 14. Remuneration Policy

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The company recognizes the applicability of the Nomination and Remuneration Policy in accordance with Sections 178 and 179 of the Companies Act, 2013, effective from the financial year 2024-2025. We are currently in the process of formulating this policy, which will detail the criteria for the nomination and remuneration of directors, key managerial personnel, and other employees. This policy will ensure compliance with the provisions of the Act, promoting transparency, fairness, and accountability in our compensation practices. Additionally, it will outline the roles and responsibilities of the Nomination and Remuneration Committee and formulation of the committee, facilitating a structured approach to talent management and leadership succession. The company is committed to aligning its practices with the regulatory framework while fostering a culture that attracts and retains high-caliber professionals. Regular updates will be shared with stakeholders as we advance in this initiative.

## **15. Details of Subsidiary/Joint Ventures/Associate Companies:**

(Not Applicable)

## **16. Internal Audit**

The provisions of Internal Audit as per Section 138 of the Companies Act, 2013, in conjunction with Rule 13(1) of Chapter IX of the Companies (Accounts) Rules, 2014, will be applicable from the financial year 2024-2025. In alignment with these regulations, the company is committed to implementing a comprehensive internal audit framework that will enhance our governance and risk management processes. The Internal Audit function will assess the adequacy and effectiveness of internal controls, compliance with statutory requirements, and the efficiency of our operations. The company is in the process of appointing qualified internal auditors who will provide independent evaluations and recommendations to the management and the Board. This initiative underscores our dedication to promoting transparency, accountability, and continuous improvement within the organization.

## **17. Auditors:**

At the Annual General Meeting held on September 29, 2023 **M/S POKHARNA SOMANI & ASSOCIATES, (Firm Registration No. 011535C) Chartered Accountants**, Bhilwara were appointed as Statutory Auditors of the Company to hold office till the conclusion of 06<sup>th</sup> Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of **M/S POKHARNA SOMANI & ASSOCIATES, Chartered Accountants, Jaipur** as Statutory Auditors of the Company, is placed for ratification by the shareholders.

The Board recommends ratification of their appointment

## **18. Board's Comment On The Auditors' Report (Rule 8A(e) of Companies (Account) Rules, 2014)**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

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## **19. Details In Respect Of Fraud (Rule 8a(D) Of Companies (Account) Rules, 2014)**

During the year under review, Statutory Auditors in their Report has not reported to the Board, under section 143 (12) of the Act any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## **20. Disclosure about Cost Audit**

Cost Audit will be applicable from the financial year 2024-2025 and the Company is taking proactive steps to ensure compliance with the relevant provisions of the Companies Act, 2013. In its meeting held on 2nd September 2024, the company appointed M/s K.C. MOONDRA & ASSOCIATES, Cost Accountants, Bhilwara (FRN: 101814), as the Cost Auditor for the financial year 2024-2025. This appointment reflects our commitment to maintaining transparency and accuracy in our cost accounting processes. The Cost Auditor will conduct a thorough examination of our cost records and evaluate the efficiency of our operations, providing valuable insights to enhance our cost management practices. We are dedicated to implementing the recommendations from the audit to ensure compliance and improve our overall financial performance.

## **21. Secretarial Audit Report**

Secretarial Audit will be applicable from the financial year 2024-2025 and the company acknowledges the requirement for a Secretarial Audit Report as mandated by the provisions of the Companies Act, 2013, and is committed to ensuring compliance with these regulations. As part of our governance framework, we are in the process of appointing a qualified Company Secretary to conduct a comprehensive secretarial audit for the financial year 2024-2025. This audit will evaluate our adherence to statutory requirements, corporate governance practices, and compliance with various laws applicable to the company. The Secretarial Audit Report will provide insights into our operational practices and highlight areas for improvement, reinforcing our commitment to transparency and accountability. We are dedicated to implementing the recommendations from the audit to enhance our governance framework and ensure ongoing compliance with all regulatory obligations.

## **22. Vigil Mechanism/Whistle Blower Policy:**

The company is committed to upholding the highest standards of corporate governance and is in full compliance with the provisions of the vigil mechanism as stipulated under Section 177(10) of the Companies Act, 2013.

Pursuant to the provisions of section 177(9)& 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014, the Company has adopted Whistle Blower Policy/Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

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This mechanism ensures confidentiality and protection against any retaliation, thereby fostering a culture of transparency and accountability within the organization. Regular training and awareness programs are conducted to ensure all employees are familiar with this mechanism and feel empowered to utilize it.

It also provides for adequate safeguards against victimization of directors /employees who avail of the Mechanism.

## **23. Risk management policy**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, dg event, financial, human, environment and statutory compliance.

## **24. Extract of Annual Return:**

The Ministry of Corporate Affairs vide notification dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014, thereby substituting Rule 12 of the Companies (Management and Administration) Rules, 2014. Further, the requirement of attaching extract of Annual Return with the Board's Report in Form MGT-9 has been omitted in the said rules and in effect to that, extract of Annual Return in form MGT-9 is not being attached as a part of Board Report. Further, the Company is not maintaining any website and/or web-link where the extract of annual return could be placed.

## **25. 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**

After Closing of Financial Year 2023-2024 and before Signing of the Director Report the Company has increased its Authorised Share Capital from Rs. 3,25,00,000.00 to Rs. 22,00,00,000.00 in the Extra Ordinary General Meeting held on 21.08.2024

Company has also approved the Issuance of 1,24,00,000 Equity shares as Bonus Shares in the Extra Ordinary General Meeting held on 02.09.2024

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**26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

(Not Applicable)

**27. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

The Company has put in place adequate internal financial controls with reference to the financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation and fraud were observed.

**28. Deposits**

No Deposits were accepted and outstanding during the year. But the Company does have total secured borrowings of Rs. 1,24,79,16,541.00 (Term loans from HDFC Bank including current maturities of Rs. 1,00,84,91,818.00 -, CC Limits from HDFC Bank of Rs. 20,94,24,723.00, WCDL from HDFC Bank of Rs. 3,00,00,000.00), and unsecured borrowings of Rs. 19,89,07,780.00 (Unsecured Loan from Promoters) which is not considered as deposit as per rule 2 (1) (c) of the Companies (Acceptance of Deposit) Rules, 2014.

**29. Particulars of loans, guarantees or investments under section 186:**

There are no such transactions during the year.

**30. Particulars of contracts or arrangements with related parties:**

There are transactions of with Related Parties during the year hence the provisions of Section 188 of the Companies Act, 2013 are attracted. Disclosure in form AOC-2 has been given in Annexure1.

**31. Corporate Governance Certificate:**

Not Applicable On the Company under the Applicable Provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**32. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

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The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Further the Company was committed to provide a safe and conducive work environment to its employees during the year under review. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Summary of sexual harassment complaints received and disposed of during the financial year: -

- No. of complaints received: NIL
- No. of complaints disposed of: NIL
- No. of complaints pending: NIL
- No. of complaints unsolved: NIL

## **33. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- (a) Conservation of energy: (Not Applicable)
- (b) Technology absorption: (Not Applicable)
- (c) Foreign exchange earnings and Outgo: (Not Applicable)

## **34. Corporate Social Responsibility (CSR):**

The Company is covered within purview of Section 135(1) of the Companies Act, 2013 as the company's Profit for the year ending 31<sup>st</sup> march, 2024 exceeds Rs. 5 crore (the computation of net profit for CSR is as per Section 198 of the Companies Act, 2013), hence provisions of Corporate Social Responsibility is applicable on the Company. Further, the total liability for CSR will be Rs. 11.24 Lacs which the company will spend from the year 2024-2025 for various social and other welfare programs.

The total liability for CSR for the Year 2023-2024 was Rs. 12.04 Lacs. Out of which the company spent Rs. 12,50,000.00 for various social and other welfare programs.

## **35. Human Resources:**

Company treats its "human resources" as one of its most important assets. Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## **36. Directors' Responsibility Statement:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

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

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- (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 and 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, in the case of a **listed company**, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. (Although this point is not applicable as the company is not a listed company.)
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **37. Transfer of Amounts to Investor Education and Protection Fund:**

Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## **38. Listing with Stock Exchanges:**

(Not Applicable)

## **39. Secretarial Standards**

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.

## **40. Statutory Compliance**

The Company complies with all applicable laws and regulations, pays applicable taxes on time, and initiates sustainable activities.

## **41. Application under the Insolvency and Bankruptcy Code, 2016 :-**

There is no details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year 2023-2024.

## **42. Valuation Detail:-**

During the Financial year 2023-2024 no valuation done by company.

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#### 43. Cost Record:

As per section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is not required to maintain cost records for the FY 2023-2024.

#### 44. Acknowledgements:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for devoted services of the Executives, Staff and workers of the Company for its success.

#### 44. Cautionary Statement

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the Future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

DATE:- 02.09.2024

PLACE:- BHILWARA

On behalf of the Board of Directors  
SONASELECTION INDIA LIMITED

  
SUBHASH CHANDRA NUWAL  
DIRECTOR  
DIN:- 00104154

  
HARSHIL NUWAL  
DIRECTOR  
DIN:- 01474313

Form No. AOC-2 (Annexure II)

(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

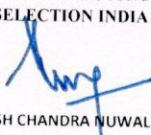
SN	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

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

SN	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 sale contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	SONA STYLES LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	JOB CHARGES	MORE THAN 1 YEAR		21.02.2022	-
2	SONA TEXFAB PRIVATE LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	JOB CHARGES	MORE THAN 1 YEAR		21.02.2022	
3	SONA TEXFAB PRIVATE LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE	MORE THAN 1 YEAR		21.02.2022	
4	SONA STYLES LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE	MORE THAN 1 YEAR		21.02.2022	
6	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SALE	MORE THAN 1 YEAR		03.04.2023	
7	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE	MORE THAN 1 YEAR		21.02.2022	
9	DEEPANK BHANDARI(RELATIVE OF DIRECTOR)	PROFESSIONAL FEES	MORE THAN 1 YEAR		21.02.2022	
9	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	JOB CHARGES	MORE THAN 1 YEAR		03.04.2023	

DATE:- 02.09.2024  
PLACE:- BHILWARA

For & on behalf of the Board of Directors  
SONASELECTION INDIA LIMITED

  
SUBHASH CHANDRA NUWAL  
DIRECTOR  
DIN:- 00104154

  
HARSHIL NUWAL  
DIRECTOR  
DIN:- 01474313



Address : 12 PS House, Sancheti Colony, Mirchi Mandi Road, Bhilwara-311001

### INDEPENDENT AUDITORS' REPORT

To the Members of SONASELECTION INDIA LTD, BHILWARA

#### Report on the Financial Statements:

We have audited the accompanying financial statements of M/s SONASELECTION INDIA LTD, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, Statement of Profit and Loss and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2024 and a summary of significant accounting policies and other explanatory notes.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act 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 31st March, 2024, and its loss and its cash flow for the year ended on that date

#### Basis for Opinion

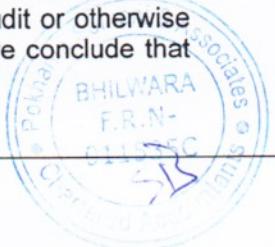
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirement that are relevant to our audit of the financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information other than financial statements and Auditors report thereon

The company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the management discussion and analysis, Board's report including Annexure to Board's Report but does not include the financial statements and our Auditors report thereon. Our opinion on financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statement or other information obtained during the course of our audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that



there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

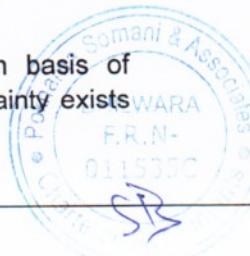
**Management's Responsibility those charged with governance for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 implementation and maintenance of 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A attached hereto our comments on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:



- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013
- f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g. With respect to other matters to be included in 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 explanation given to us:
  - (i)The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii)The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
  - (iii)There are no amounts required to be transferred to the Investor Education and Protection Fund during the year by the Company.

For: POKHARANA SOMANI & ASSOCIATES  
Chartered Accountants  
Firm Registration Number 011535C

*Sumit Bumb*

(SUMIT BUMB)  
PARTNER  
M.NO 429413



PLACE : BHILWARA  
DATE : 02.09.2024  
UDIN : 24429413BKCBZC2909

### **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT:**

The Annexure A referred to in Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31<sup>st</sup> March, 2024, we report that:

1. a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment  
(B) The Company is maintaining proper records showing full particulars of intangible Assets
  - b) The Property, Plant and Equipment are physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification as compared to the available records. In our opinion, the procedures followed by the management for such physical verification are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) Immovable land were held in the name of the Company.
  - d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. According, reporting under Clause 3 (i) (d) of the order is not applicable
  - e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) and Rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable.
2. a) The physical verification of inventory has been conducted by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification of physical stock and the book records were not material in relation to the operations of the company. The discrepancies noticed on verification between physical stock and book records were not 10% or more in aggregate for each class of inventories.
  - b) The Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, from banks on the basis of security of current assets; according to the information and explanations given to us and on the basis of records examined by us, the quarterly returns and statements comprising stock and creditors statements, book debt statements and other stipulated financial information filed by the Company with such bank are not having material difference with the unaudited books of account of the Company, of the respective months/ quarters and those differences are of explainable items and in nature.



3. The Company has not granted any loans or provided advances in the nature of loans or stood guarantee or provided security to its subsidiaries and associates during the year. Accordingly, reporting under clause 3(iii)(a)(A) of the Order is not applicable.
4. According to the information and explanations given to us, The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 and the company has not provided any grant of loans, investments made, guarantees given and securities provided.
5. In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of Sections 73 to 76, or any other relevant provisions of the Act and the Companies (Acceptance and Deposits) Rules, 2014, as amended, with regard to deposit accepted by the Company from the public or amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
6. As per Explanations given to us the Provision of Section 148 of the Companies Act 2013 regarding maintenance of cost records are not applicable to the Company
7.
  - a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employee's state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, value added tax and other statutory dues applicable to it. According to the information and explanations given to us, there are no amounts payable in respect of such statutory dues, which have remained outstanding as at 31<sup>st</sup> March, 2024 for a period more than six months.
  - b) In our opinion and according to the information & explanations given to us, there are no dues in respect of income tax, wealth tax, Sales tax, excise duty, custom duty and cess that have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the Company did not have any transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9.
  - a) According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or any lenders. The Company has not taken any loan or borrowing from Government and has not issued any debenture during the year.
  - b) According to the information and explanations given to us and on the basis of our audit procedures, the Company is not declared willful defaulter by any bank or financial institution or other lender.



- c) According to the information and explanations given to us and on the basis of the books and records examined by us, the term loans taken during the year have been applied for the purposes for which those were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that during the year the Company has not taken any funds from an entity or person, on account of or to meet the obligations of its subsidiaries or associate companies.
10. a) According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made preferential allotment shares during the year.
11. a) On the basis of books and records of the Company examined by us and according to the information and explanations given to us, we report that no material fraud by the Company or any fraud on the Company has been noticed or reported during the year in the course of our audit.
- b) According to the information and explanations given to us, no report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us, the company is not covered under section 177(9) of the Companies Act during the year. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. According to the information and explanations given to us and on the basis of records of the Company examined by us, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. a) According to the information and explanations given to us, in our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



15. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, reporting under clause 3(xv) of the Order is not applicable
16. a) As per the information and explanations given to us and on basis of books and records examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934; the Company has not conducted any Non-banking Financial or Housing Finance activities during the year; the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable to the Company
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly the reporting under clause 3(xvi)(b) of the order is not applicable to the company.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly the reporting under clause 3(xvi)(c) of the order is not applicable to the company.
- d) The Group does not have any CIC, as part of the Group, According the reporting under clause 3(xvi)(d) of the order is not applicable to the company.
17. The Company has not incurred cash losses in the current financial year or in the immediately preceding financial year.
18. There has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable
19. On the basis of ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and more particularly, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
20. As per the information and explanations given to us and on basis of books and records examined by us, we report that since Net worth, Turnover and net profit not exceed specified limits under section 135 of the Act, it is not required to spend any money under sub-section (5) of section 135 of the Act and accordingly, any reporting under clause (xx) of the Order is not applicable to the Company for the year.



21. The Reporting under clause 3(XXI) of the order is not applicable in respect of audit of standalone financials. Accordingly, no comments in respect of the said clause has been included in this report.

For: POKHARANA SOMANI & ASSOCIATES  
Chartered Accountants  
Firm Registration Number 011535C



*Sumit Bumb*  
(SUMIT BUMB)  
PARTNER  
M.NO 429413

PLACE : BHILWARA  
DATE : 02.09.2024  
UDIN : 24429413BKCBZC2909

## **ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT**

The Annexure B referred to in Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31<sup>st</sup> March, 2024, we report that:

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 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**

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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

#### **Auditor's Responsibility**

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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.



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**

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**

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**

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 March 31, 2024, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India.

For: POKHARANA SOMANI & ASSOCIATES  
Chartered Accountants  
Firm Registration Number 011535C

  
(SUMIT BUMB)  
PARTNER  
M.NO 429413

PLACE: BHILWARA  
DATE : 02.09.2024  
UDIN 24429413BKCBZC2909



PART I – BALANCE SHEET

Name of the Company  
Balance Sheet as at 31st March,

SONASELECTION INDIA LIMITED  
2024

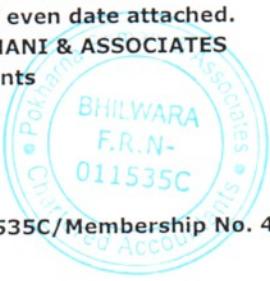
Amount in Rs.  
Figures as at the  
end of current  
reporting period  
Figures as at the  
end of previous  
reporting period

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	31,000,000	31,000,000
(b) Reserves and surplus	2	358,265,084	233,631,366
<b>Share application money pending allotment</b>		-	-
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	1,118,408,800	264,492,248
(b) Deferred tax liabilities (Net)		72,942,038	57,195,747
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	328,415,521	189,374,491
(b) Trade payables			
i) Total O/s dues of micro and small enterprises	5	8,169,277	8,034,744
ii) Total O/s dues other than (b) (i) above	5	35,038,923	34,184,675
(c) Other current liabilities	6	44,500,102	26,504,180
(d) Short-term provisions	7	29,463,882	31,974,088
<b>TOTAL</b>		<b>2,026,203,627</b>	<b>876,391,539</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1</b>			
Property, Plant and Equipment			
(i) Tangible assets	8	750,360,973	491,111,186
(ii) Intangible assets	8	-	-
(iii) Capital work-in-progress	8	725,717,725	-
(b) Other Non- Current Assets	9	10,119,691	5,264,409
<b>2 Current assets</b>			
(a) Trade Receivable	10	139,508,852	148,397,675
(b) Inventories	11	190,694,344	146,168,679
(c) Cash and cash equivalents	12	86,156,794	14,721,297
(d) Short-term loans and advances	13	-	-
(d) Other current assets	14	123,645,248	70,728,293
<b>TOTAL</b>		<b>2,026,203,627</b>	<b>876,391,539</b>

Notes to Accounts from Note No. 1 to 29 form an integral part of these accounts.

As per our report of even date attached.

For POKHARNA SOMANI & ASSOCIATES  
Chartered Accountants

  
(SUMIT BUMB)  
Partner  
(Firm Regn No.011535C/Membership No. 429413)  
Place: Bhilwara  
Date 02.09.2024  
UDIN 24429413BKCBZC2909

For and on behalf of Board of Directors  
Sonaselection India Limited

(Subhash Nuwal)  
Director  
DIN: 00104154

(Harshil Nuwal)  
Director  
DIN: 01474313

PART II - STATEMENT OF PROFIT AND LOSS

Name of the Company

Profit and loss statement for the year ended 31st March

SONASELECTION INDIA LIMITED

2024

Amount in Rs.

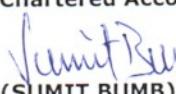
Particulars	Note No.	Figures for the current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	15	1,210,886,816	940,743,648
II. Other income	16	2,209,949	357,531
<b>III. Total Revenue (I + II)</b>		<b>1,213,096,765</b>	<b>941,101,179</b>
IV. Expenses:			
Consumption of Raw Material	17	529,427,460	461,466,093
Purchases of Stock-in-Trade	18	5,360,768	27,209,586
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	-52,029,643	-76,164,475
Employee benefits expense	20	221,654,329	144,116,708
Finance costs	21	47,448,754	24,437,545
Depreciation and amortization expense	8	67,969,801	35,899,473
Other expenses	22	224,630,443	203,672,996
Total expenses		<b>1,044,461,912</b>	<b>820,637,926</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>168,634,853</b>	<b>120,463,253</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>168,634,853</b>	<b>120,463,253</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>168,634,853</b>	<b>120,463,253</b>
X Tax expense:			
(1) Current tax		29,463,882	31,974,088
Less : MAT Credit Entitlement		-1,432,396	-
(2) Deferred tax		15,746,291	57,195,747
(2) Income Tax for earlier year		223,358	-
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>124,633,718</b>	<b>31,293,418</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>124,633,718</b>	<b>31,293,418</b>
XVI Earnings per equity share:			
(1) Basic		40.20	10.09
(2) Diluted		40.20	10.09

Notes to Accounts from Note No. 1 to 29 form an integral part of these accounts.

As per our report of even date attached.

For POKHARNA SOMANI & ASSOCIATES

Chartered Accountants

  
(SUMIT BUMB)

Partner  
(Firm Regn No.011535C/Membership No. 429413)

Place: Bhilwara

Date: 02.09.2024

UDIN 24429413BK(BZ(29)09

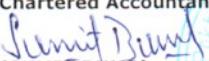


For and on behalf of Board of Directors

SONASELECTION INDIA LIMITED

  
(Subhash Nuwal)  
Director  
DIN: 00104154

  
(Harshil Nuwal)  
Director  
DIN: 01474313

Name of the Company Cash Flow statement for the year ended 31st March,		SONASELECTION INDIA LIMITED 2024		2023	Amount in Rs.
S.No	Particulars	As at 31 March 2024		As at 31 March 2023	
A	<b>Cash Flow from Operating Activities</b> Net Profit/Loss before extra ordinary items and tax <i>Adjustments for:</i> Depreciation and Amortisation Interest	67,969,801 47,448,754	168,634,853 115,418,555 284,053,408	35,899,473 24,437,545	120,463,253 60,337,018 180,800,271
	<b>Operating Profit before Working Capital changes</b> <i>Changes in Working Capital:</i> Adjustments for (increase)/ decrease in operating assets: Inventories Trade Receivables Other Non- Current Assets Loans and Advances Other Current Assets Decrease/(Increase) in Current Assets Adjustments for increase/ (decrease) in operating liabilities: Trade Payables Other Current Liabilities Provisions Increase/ (Decrease in Current Liabilities Cash generated from operations Less Taxes paid Net cash flow from / (used in) operating activities (A)	(44,525,665) 8,888,823 (4,855,282) - (52,916,955)	(148,397,675) (146,168,679) (5,264,409) - (70,728,293) (93,409,079)	(42,219,419 26,504,180	100,697,687 (89,061,098) - (121,035,186)
B	<b>Cash flow from investing activities</b> Purchase of fixed assets Capital WIP Sale of Fixed Assets Current Investments Net cash flow from/(used in) investing activities (B)	(327,219,588) (725,717,725)	(450,028,432) - 1,755,721 -1,052,937,313	(448,272,711)	
C	<b>Cash flow from financing activities</b> Proceeds from Equity Share Capital Proceeds/(Repayment) of short term borrowing Proceeds from long term borrowing Interest paid Net cash flow from / (used in) financing activities ( C )	- 139,041,030 853,916,552 (47,448,754)	154,600,000 189,374,491 264,492,248 (24,437,545)	584,029,194	
	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b> Cash and cash equivalents at the beginning of the year <b>Cash and cash equivalents at the end of the year *</b> * Comprises: a Cash on hand b Cheques/ Drafts on hand c Balances with Bank: d Others e Current Investments	945,508,828 70,003,100 14,721,297 84,724,397 300,626 85,856,168 86,156,794	14,721,297 - 14,721,297 - 24,895 14,696,402 14,721,297		
Notes to Accounts from Note No. 1 to 29 form an integral part of these accounts. As per our report of even date attached. For POKHARNA SOMANI & ASSOCIATES Chartered Accountants					
 (SUMIT BUMB) Partner (Firm Regn No.011535C/Membership No. 429413) Place: Bhilwara Date 02.09.2024 UDIN 24429413RKC BZ (2909)					
  For and on behalf of Board of Directors SONASELECTION INDIA LIMITED (Subhash Nuwal) (Harshil Nuwal) Director Director DIN: 00104154 DIN: 01474313					

Note 1 Share Capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount in Rs.	Number	Amount in Rs.
<u>Authorised</u>				
Equity Shares of ` 10/- each	3,250,000	32,500,000	3,250,000	32,500,000
<u>Issued</u>				
Equity Shares of ` 10/- each	3,100,000	31,000,000	3,100,000	31,000,000
<u>Subscribed &amp; Paid up</u>				
Equity Shares of ` 10/- each fully paid	3,100,000	31,000,000	3,100,000	31,000,000
<b>Total</b>	<b>3,100,000</b>	<b>31,000,000</b>	<b>3,100,000</b>	<b>31,000,000</b>

Note 1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	Equity Shares As at March 2024		Equity Shares As at March 2023	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	3,100,000	31,000,000	-	-
Shares Issued during the year	-	-	3,100,000	31,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,100,000	31,000,000	3,100,000	31,000,000

Note 1.2 Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

Equity Shares

Company has one class of equity shares of face value of Rs.10 each.

Shareholders are entitled to one vote per share and all other rights as per Company Act, 2013 read with Memorandum and Articles of Association of the

Note 1.3 Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held		No. of Shares held	
NO HOLDING COMPANY				

Note 1.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Deepank Bandari	1,545,000	49.84%	1,545,000	49.84%
Sona Polyspin Private Limited	905,000	29.19%	905,000	29.19%
Subhash Nuwal	354,998	11.45%	354,998	11.45%
Harshil Nuwal	294,997	9.52%	294,997	9.52%

Note 1.5 Details of shares held by each Promoters

	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Deepank Bandari	1,545,000	49.84%	1,545,000	49.84%
Sona Polyspin Private Limited	905,000	29.19%	905,000	29.19%
Subhash Nuwal	354,998	11.45%	354,998	11.45%
Harshil Nuwal	294,997	9.52%	294,997	9.52%
Uma Nuwal	1	0.00%	1	0.00%
Shikha Nuwal	1	0.00%	1	0.00%
Kailash Bhandari	1	0.00%	1	0.00%
Anita Bhandari	1	0.00%	1	0.00%
Mukesh Pareek	1	0.00%	1	0.00%



Note 2 Reserves & Surplus

	As at 31st March 2024	As at 31st March 2023
<b>a. Securities Premium Account</b>		
Opening Balance	-	-
Add : Securities premium credited on Share issue	123,600,000	123,600,000
(-) Written Back in Current Year	-	-
Closing Balance	<b>123,600,000</b>	<b>123,600,000</b>
<b>b. Capital Reserve</b>		
Opening Balance	78,737,948	-
(+) Current Year Transfer	-	78,737,948
(-) Written Back in Current Year	-	-
Closing Balance	<b>78,737,948</b>	<b>78,737,948</b>
<b>c. Surplus</b>		
Opening balance	31,293,418	-
(+) Net Profit/(Net Loss) For the current year	124,633,718	31,293,418
Closing Balance	<b>155,927,136</b>	<b>31,293,418</b>
<b>Total</b>	<b>358,265,084</b>	<b>233,631,366</b>

Note 3 Long Term Borrowings

	As at 31st March 2024	As at 31st March 2023
<b>Secured</b>		
<b>Term loans &amp; vehicle Loan</b>		
From HDFC Bank	1,008,491,818	298,042,864
Less : current maturities of term loans (included in note 4)	88,990,798	33,550,616
(a)	<b>919,501,020</b>	<b>264,492,248</b>
<b>Unsecured Loan from promoters</b>		
	198,907,780	-
(b)	198,907,780	-
	<b>1,118,408,800</b>	<b>264,492,248</b>
<b>Total</b>	<b>1,118,408,800</b>	<b>264,492,248</b>

Notes and Terms & Condition of Loans:-

- 1 **Term Loans** :- Term Loan facility from HDFC Bank comprises of 3 term loans. All the 3 term loans including current maturities are secured by way of first charge over entire Fixed assets (Present & Future) of the company including equitable mortgage of its Factory Land & building situated at 18 K.M. Stone, Chittor Road, Guwardi, Bhilwara in the name of M/s Sonaselection India Limited & personally guaranteed by 6 Directors of the Company, viz Subhash Nuwal, Harshil Nuwal, Uma Nuwal, Deepank Bhandari, Kailash Bhandari and Anita Bhandari.  
**Term Loan 1** - Sanctioned & Disbursed for Rs. 24.14 Crores (Outstanding Balance - Rs. 19.86 Crores) is repayable in monthly installments of Rs. 37.37 Lacs. Last date of Repayment is December 2029. Rate of Interest Linked with 3M- T Bill.  
**Term Loan 2** - Sanctioned & Disbursed for Rs. 11.75 Crores (Outstanding Balance - Rs. 10.82 Crores) is repayable in monthly installments of Rs. 18.97 Lacs. Last date of Repayment is June 2030. Rate of Interest Linked with 3M- T Bill.  
**Term Loan 3** - Sanctioned Rs. 85 Crore (Outstanding Balance - Rs. 68.43 crore) is repayable in monthly installments of Rs. 61.24 Lacs till Septmber 2024 and then Rs. 134.35 Lacs. Last date of Repayment is October 2031. Rate of Interest Linked with 3M- T Bill.
- 2 **Vehicle loans** are taken HDFC bank Ltd and PNB , repayable in next 5 years. Loan including current maturities are secured by way of hypothecation over vehicles. Out of the outstanding Loans of Rs. 172.50 Lacs, Rs. 34.75 Lacs will due in next 1 year.
- 3 **Unsecured loan** is taken from Directors, Friends, relatives. As Explained the same will become due for payment after a period of 1 year.

Note 4 Short Term Borrowings

	As at 31st March 2024	As at 31st March 2023
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
- CC Limits From HDFC Bank	209,424,723	155,823,875
- WCDL From HDFC Bank	30,000,000	-
Secured by hypothecation of stocks, book debts and mortgage of fixed assets		
(The above is guaranteed by Directors)		
Current Maturity of Long term Borrowing	88,990,798	33,550,616
<b>TOTAL</b>	<b>328,415,521</b>	<b>189,374,491</b>



Note 5 Trade Payables

	As at 31st March 2024	As at 31st March 2023
a Total Outstanding dues of the micro and small enterprises	8,169,277	8,034,744
b Total Outstanding dues other than (a) above	35,038,923	34,184,675
<b>Total</b>	<b>43,208,200</b>	<b>42,219,419</b>

Note 5 (A) Trade payable ageing Schedule (31.03.2024)

Period	MSME	Others	Disputes dues - MSME	Disputes dues - Others	Total
Unbilled Dues	-	-	-	-	-
less than 1 years	8,169,277	35,038,923	-	-	43,208,200
1-2 years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 years	-	-	-	-	-
<b>Total as on 31.03.2024</b>	<b>8,169,277</b>	<b>35,038,923</b>	<b>-</b>	<b>-</b>	<b>43,208,200</b>

Note 5 (B) Trade payable ageing Schedule (31.03.2023)

Period	MSME	Others	Disputes dues - MSME	Disputes dues - Others	Total
Unbilled Dues	-	-	-	-	-
less than 1 years	8,034,744	34,184,675	-	-	42,219,419
1-2 years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 years	-	-	-	-	-
<b>Total as on 31.03.2023</b>	<b>8,034,744</b>	<b>34,184,675</b>	<b>-</b>	<b>-</b>	<b>42,219,419</b>

Note 6 Other Current Liabilities

	As at 31st March 2024	As at 31st March 2023
Creditor for Expenses	9,811,441	10,084,978
Employees & Worker Dues	14,560,282	9,303,501
Statutory remittances (Contribution to PF, ESIC & TDS etc.)	3,670,722	2,134,514
Leave Encashment Payable A/C	4,091,157	1,232,312
Bonus Payable	1,863,710	-
Gratuity Payable A/C	4,427,882	1,911,757
Interest accrued but not due on borrowings	5,999,908	1,769,618
Audit Fee Payable	75,000	67,500
<b>Total</b>	<b>44,500,102</b>	<b>26,504,180</b>

Note 7 Short Term Provisions

	As at 31st March 2024	As at 31st March 2023
(a) Others (Specify nature)		
Provision for Income Tax	29,463,882	31,974,088
<b>Total</b>	<b>29,463,882</b>	<b>31,974,088</b>



Note 8 Tangible and Intangible Assets

	Assets	Gross Block			Accumulated Depreciation			Net Block	Balance as at March ,2023
		Balance as at 01 April , 2023	Additions	Disposals	Balance as at 31 March , 2024	Balance as at 01 April , 2023	Depreciation charge for the year		
<b>I Tangible Assets</b>									
i Land	37,025,094	1,310,000	38,335,094	-	-	-	-	38,335,094	37,025,094
ii Buildings	92,681,531	321,983	93,003,514	2,092,012	3,572,743	00	5,664,755	87,338,759	90,589,519
iii Plant and Equipment	396,507,612	302,341,447	698,849,059	33,493,570	60,278,145	00	93,771,715	605,077,344	363,014,042
iv Furniture and Fixtures	54,958	88,284	-	143,242	2,264	24,686,00	26,950	18,444,935	52,694
v Vehicles	83,500	22,109,366	-	22,192,866	13,518	3,734,413	3,741,931	18,444,935	69,982
vi Office equipment	303,923	1,018,941	-	1,322,864	4,025	314,585,00	318,610	1,004,254	299,898
vii Computer/Inverters/UPS	75,170	29,567	-	104,737	15,213	45,229,00	-	60,442	44,295
<b>Total</b>	<b>526,731,788</b>	<b>327,219,588</b>	<b>-</b>	<b>853,951,376</b>	<b>35,620,602</b>	<b>67,969,801</b>	<b>-</b>	<b>103,590,403</b>	<b>750,360,973</b>
Previous Year	-	528,766,380	2,034,592	526,731,788	-	35,899,473	278,871	35,620,602	491,111,186
<b>II Capital Work In Progress</b>	<b>-</b>	<b>725,717,725</b>	<b>-</b>	<b>725,717,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>725,717,725</b>
<b>Total</b>	<b>-</b>	<b>725,717,725</b>	<b>-</b>	<b>725,717,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>725,717,725</b>
Previous Year	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>526,731,788</b>	<b>1,052,937,313</b>	<b>-</b>	<b>1,579,669,101</b>	<b>35,620,602</b>	<b>67,969,801</b>	<b>-</b>	<b>103,590,403</b>	<b>1,476,078,698</b>
									<b>491,111,186</b>

Note 8.1 Disclosure pursuant to Note no.1 (iv) and J (iii) of Part I of Schedule III to the Companies Act, 2013

Sums written off on a reduction of capital or revaluation of assets or sums added on revaluation of assets with amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.

Note 8.2 Depreciation and amortisation relating to continuing operations:  
Depreciation and amortisation relating to continuing operations for the year

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Depreciation and amortisation on Tangible Assets as per I above	Depreciation and amortisation on Intangible Assets as per II above	Total	Depreciation and amortisation on Tangible Assets as per I above	Depreciation and amortisation on Intangible Assets as per II above	Total
Total	67,969,801	-	67,969,801	35,899,473	-	35,899,473

Note 8.3 Capital Work-in-Progress  
Capital Work-in-Progress Schedule

Capital Work-in-Progress	Amount in capital work-in-progress for a period of			Total as at 31.03.2024
	Less than 1 years	1-2 years	2-3 years	
Project in Progress	725,717,725	-	-	725,717,725
Project temporarily suspended	-	-	-	-



Note 9 Other Non Current Assets

	As at 31 March	As at 31 March
	2024	2023
a. Security Deposits		
Secured, considered good		
Unsecured, considered good		
with AVVNL	10,099,691	5,244,409
with CDSL	10,000	10,000
With NSDL	10,000	10,000
Doubtful	-	-
Less: Provision for doubtful deposits	a 10,119,691	5,264,409
b. Capital Advance	b - - 10,119,691	- - 5,264,409
<b>Total</b>	<b>10,119,691</b>	<b>5,264,409</b>

Note 10 Trade Receivables

	As at 31 March	As at 31 March
	2024	2023
Secured, considered good		
Unsecured & Undisputed, considered good	139,508,852	148,397,675
Unsecured & Undisputed, considered doubtful	-	-
Unsecured & Disputed, considered good		
Unsecured & undisputed, considered good		
Less: Provision for doubtful debts		
<b>Total</b>	<b>139,508,852</b>	<b>148,397,675</b>

Note 10 (a) Trade Receivable ageing schedule:	As at 31 March	As at 31 March
	2024	2023
Period	Undisputed Trade Receivable Considered Goods	Undisputed Trade Receivable Considered Goods
Less than 6 Months	139,508,852	148,393,170
6 months-1 years	-	4,505
1-2 years	-	-
2-3 Years	-	-
More than 3 years	-	-
<b>Total</b>	<b>139,508,852</b>	<b>148,397,675</b>



Note 11 Inventories

	As at 31 March	As at 31 March
	2024	2023
(Values at Lower of Cost and Market Value)		
(a) Raw materials		
Dyes & Chemical	37,060,583	32,101,523
Coal & Fuel	15,343,214	29,607,810
(b) Work-in-progress (To the extend of Processing Cost)	22,356,335	20,002,669
(c) Own Fabrics	30,186,408	27,319,423
(d) Finished goods - (To the extend of Processing Cost)	75,651,375	28,842,383
(e) Stores and spares & Packing Material	10,096,429	8,294,871
<b>Total</b>	<b>190,694,344</b>	<b>146,168,679</b>

Note 12 Cash and cash equivalents

	As at 31 March	As at 31 March
	2024	2023
a. Balances with banks		
In deposit Account with maturity up to 12 months	41,100,984	-
As margin money against borrowing, guarantee and other commitments	44,755,184	14,696,402
	85,856,168	14,696,402
b. Cheques, drafts on hand		
c. Cash on hand*	300,626	24,895
d. Others (specify nature)	-	-
	86,156,794	14,721,297

Note 13 Short-term loans and advances

	As at 31 March	As at 31 March
	2024	2023
a. Loans and advances to related parties		
Unsecured, considered good	-	-
	-	-
	-	-

Note 13.1 Loans and advances due by directors or other officers of the company

	As at 31 March	As at 31 March
	2024	2023
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member	-	-
	-	-

\*Either severally or jointly

Note 14 Other current assets (specify nature)

	As at 31 March	As at 31 March
	2024	2023
GST Receivable	88,034,362	41,290,058
Prepaid Expenses	611,678	585,442
TDS / TCS Receivable	22,090,525	18,220,756
Interest Receivable	359,543	200,598
Other Advances	1,116,744	431,439
Mat Credit Entitlement	1,432,396	-
Advnace Income tax	10,000,000	10,000,000
	123,645,248	70,728,293



Note 15 Revenue from operations

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
Domestic Sales	1,209,790,233	939,116,056
Store & Chemical Sale A/C	1,096,583	1,627,592
<b>Total</b>	<b>1,210,886,816</b>	<b>940,743,648</b>

Note 16 Other Income

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
Interest Income on FDR	1,802,956	79,336
Other income	7,500	-
Interest Income on AVVNL	399,493	278,195
<b>Total</b>	<b>2,209,949</b>	<b>357,531</b>

Note 17 Raw Material Consumption

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
<b>Raw Material :</b>		
Stock at beginning of the year	61,709,333	-
Purchases during the year (Net of return)	520,121,924	523,175,426
Stock at end of the year	52,403,797	61,709,333
<b>Raw material Consumed</b>	<b>529,427,460</b>	<b>461,466,093</b>
<b>Material consumed comprise of</b>		
Dyes & Chemicals	212,618,209	209,998,745
Grey Fabric	134,324,312	45,031,350
Coal & Fuel	182,484,939	206,435,998
<b>Total</b>	<b>529,427,460</b>	<b>461,466,093</b>

Note 18 Goods purchased/ services rendered or supplied under broad head

	For the year ended 31 March	For the year ended 31 March
	2024	2023
<b>Goods Purchased</b>		
Finish Fabric Purchases	5,360,768	27,209,586
<b>Total</b>	<b>5,360,768</b>	<b>27,209,586</b>

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

	For the year ended 31 March	For the year ended 31 March
	2024	2023
<b>Opening Stock</b>		
Finished goods (Job)	28,842,383	-
Work in progress (Job)	20,002,669	-
Fabric (Own)	27,319,423	-
	76,164,475	-
<b>Closing Stock</b>		
Finished goods (Job)	75,651,375	28,842,383
Work in progress (Job)	22,356,335	20,002,669
Fabric (Own)	30,186,408	27,319,423
	128,194,118	76,164,475
<b>Change in inventories</b>	<b>(52,029,643)</b>	<b>(76,164,475)</b>



Note 20

## Employee Benefits Expense

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
Salaries & Wages, Bonus & Leave encashment & Gratuity	206,239,089	136,236,088
Contributions to Provident, ESI	7,528,377	4,412,464
Staff welfare expenses	7,886,863	3,468,156
<b>Total</b>	<b>221,654,329</b>	<b>144,116,708</b>

Note 21 Finance Costs

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
Interest Paid on		
Term Loan	26,899,671	18,780,024
Working Capital	14,634,117	5,652,639
Vehicle	1,195,120	-
Others	1,300,300	-
USL	2,171,317	-
bank processing charges	1,248,230	4,882
<b>Total</b>	<b>47,448,754</b>	<b>24,437,545</b>

Note 22 Other Expenses in major heads

	For the Period ended 31 March	For the Period ended 31 March
	2024	2023
<b>Direct /Production Overheads</b>		
Consumption of stores and spare parts	78,686,875	67,468,941
Consumption of packing material	18,062,921	14,308,292
Power Expenses	61,540,397	45,791,180
Effluent Treatment & Water Expenses	13,289,133	10,690,317
Repairs and maintenance - Buildings	39,877	176,375
Repairs and maintenance - Machinery	5,929,378	3,785,312
<b>a</b>	<b>177,548,581</b>	<b>142,220,417</b>
<b>Establishment &amp; Administravtive Expenses</b>		
Bank Charges	452,377	2,092,642
Advertisement Expenses	58,500	-
Membership & Subscription Fees	11,450	22,180
Festival & Pooja Expenses	539,309	177,355
Share Issued Exp.	-	40,975
Repair Others	188,485	24,694
Donation Expenses	687,300	165,001
Director Remuneration	-	10,560,000
Insurance Charges	1,753,196	1,096,952
Legal & Professional Expenses	14,450,029	5,646,486
Office Expenses	3,635	102,750
Payment to Auditors (Refer Note 20)	75,000	75,000
Printing & Stationary Exp.	843,638	754,912
Rent Expenses	930,000	20,619,334
Rate & Taxes Exp.	3,818,921	212,650
Telephone & Internet charges	159,585	125,800
Sundry Balance Written off	2,172	9,039
Postage & Courier Exp.	22,070	19,565
CSR Activity	1,250,000	-
Loss on Sale of Fixed Assets	-	1,105,721
Travelling Exp. & conveyance Expenses	411,942	261,536
<b>b</b>	<b>25,657,609</b>	<b>43,112,592</b>
<b>Selling and Distribution Expenses</b>		
Freight and forwarding	17,588,028	14,504,944
Cash discount	3,836,225	3,835,043
<b>c</b>	<b>21,424,253</b>	<b>18,339,987</b>
<b>TOTAL (a+b+c)</b>	<b>224,630,443</b>	<b>203,672,996</b>



Note 23 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2024	As at 31 March 2023
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(ii) Commitments		
In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the company has an export obligation, which is required to be met at different dates, before 09.03.2030. In the event of non-fulfillment of the export obligation, the company will be liable to pay custom duties and penalties, as applicable.	USD 111.60 Lacs	

Note 24 Disclosure pursuant to Note no. 6(V) of Part I of Schedule III to the Companies Act, 2013

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

NOT APPLICABLE

Note 25 Payments to the auditor as

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Auditor	50,000	50,000
B. For taxation matters	25,000	25,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>



Note 26 Expenditure incurred on following items

S.N o	Particulars	For the year ended 31 March	For the year ended 31 March
		2024	2023
1	Value of imports calculated on C.I.F basis by the company during the financial year in respect of - I. Raw materials; II. Components and spare parts; III. Capital goods;	-	-
2	Expenditure in foreign currency during the financial year on account of i. royalty, know-how, professional and consultation fees, ii. interest, and other matters; iii. other matters;	-	-
3	Earnings in foreign exchange I. Export of goods calculated on F.O.B. basis; II. Royalty, know-how, professional and consultation fees; III. Interest and dividend; IV. Other income, indicating the nature thereof	-	-
4	Amount remitted during the year in foreign currencies on account of dividends i. Total number of non-resident shareholders ii. Total number of shares held by them on which the dividends were due iii. Year to which the dividends related;	-	-
5	Total value of raw materials consumed during the financial year Percentage 2024 i. Imported 0% ii. Indigenous 100%	534,788,228	488,675,679
6	Total value of spare parts and components consumed during the financial year Percentage 2024 i. Imported 0% ii. Indigenous 100%	61,540,397	45,791,180

Note 27 Disclosure pursuant to AS 18 Related Parties Transactions

Nature of relationship	Name of related parties
Director	Subhash Nuwal
Director	Harshil Nuwal
Director	Uma Nuwal
Director' Relative	Deepank Bhandari
Significantly influenced by Directors	Sona Styles Limited Sona Processors (I) Ltd. Sona Tex Fab Private Limited

Nature of transaction	For the year ended 31 March	For the year ended 31 March
	2024	2023
Remuneration To Harshil Nuwal	11,600,000	7,040,000
Remuneration To Uma Nuwal	5,800,000	3,520,000
Professional Fee paid to Deepank Bhandari	12,000,000	4,720,000
Job Process charges received from Sona Styles Limited	117,920,165	22,844,594
Job Process charges received from Sona Processors India Limited	3,923,145	-
Job Process charges received from Sona Texfab Private Limited	9,288,630	3,759,520
Fabrics Purchase from Sona Texfab Private Limited	514,013	271,605
Fabrics Purchase from Sona Styles Limited	2,130,968	1,785,041
Factory Unit Purchase from Sona Processors India Limited under Slump Sale	-	162,100,000
Dyes, Chemical Sale to Sona Processors India Limited	795,967	-
Dyes, Chemical purchase from Sona Processors India Limited	236,212	1,432,000



**Note 28 Narrative description of items of Financial Statements**

**1 Confirmation of balances**

Balance under debtors, creditors, receivables, unsecured loan & advances are subject to confirmation and reconciliation if any.

**2 Claims**

Claims of customers, suppliers and other parties are accounted for as and when settled.

**3 Valuations of current assets**

In the opinion of the Board of Directors, Current Assets & Advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet.

**4 Value of Purchases**

Purchases include insurance and all procurement expenses incurred up to the arrival of material at plant site and net of purchases return and sales at cost.

**5 Previous year figures**

The previous period figures have been regrouped reclassified, wherever considered necessary.

**6 Liability towards SSI**

The Company has sought details from suppliers as micro, small and medium enterprises under the provision of "Micro, Small, Medium Enterprises developments (MSMED) Act 2006" as at 31st March 2024. Total outstanding is Rs. 81.69 Lacs

**7 Segment Accounting**

The Company deals in only one segment i.e. textiles thus no need to report segment-wise Assets, Liabilities, Revenue & Expenditure separately other than as shown in Balance Sheet.

**8 Financial Ratios**

Particulars	Formula	Denominator	31st March 2024	31st March 2023	Variance %	Reasons for Variance of above 25%
Current Ratio	Current assets	Current liabilities	1.21	3.77	-67.85	Decrease in Current Assets
Debt Equity Ratio	Total debt	Shareholder's Equity	3.72	1.72	116.09	Increase in Term Loan and USL
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.20	0.37	-46.94	Increase in Term Loan and USL
Return of Equity	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.32	0.20	60.09	Increase in Profitability
Inventory turnover ratio	Sales	Average Inventory	7.19	6.44	11.63	
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	8.41	6.34	32.68	Decrease in trade Receivables
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	12.30	13.04	-5.66	
Net capital turnover ratio	Net Sales	Working Capital	12.82	3.27	292.20	Increase in Current Liabilities
Net profit ratio %	Net Profit	Net Sales	0.10	0.03	209.42	Increase in Profitability
Return on capital employed %	Earning before interest and taxes(EBIT)	Capital Employed	0.73	0.68	6.81	

**9 Title deeds of immovable Properties**

Title deeds of immovable Properties are in the name of the company.

10 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami

11 The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

12 The Company does not have any transactions with struck-off companies.

13 The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

14 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017



- 15 The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;
- i. 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
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 16 The Company has not received any funds from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 17 The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 18 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- 19 **Borrowing secured against current assets**  
The Company has borrowings from the bank on the basis of security of current assets. The Quarterly return or monthly stock statement of current assets filed by the company with bank are in agreement with the books of accounts
- 20 **Utilization of borrowings availed from the Bank and financial institutions**  
The borrowing obtained by the company have been applied for the purpose for which such loans were taken.



Note 29 Significant Accounting Policies

1 Basis of preparation of Financial Statement:

- i) The company generally follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.
- ii) The financial statements have been prepared in accordance with the historical cost convention and in accordance with the generally accepted accounting principles & provisions of Companies Act,

2 Property, Plant and Equipment

- i) Property, Plant and Equipment are stated at cost of acquisition and subsequent improvements thereto including taxes, duties (Goods & Service tax paid to the extent of which CENVAT is availed), freight and other incidental expenses related to acquisition and installation.
- ii) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- iii) The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

3 Miscellaneous Expenditure:

Miscellaneous expenditure has been amortized over 5 years starting from Year of commencement of commercial production as per provision of section 35D of Income-Tax Act, 1961.

4 Revenue Recognition:

- i) Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes & Goods & services Tax and gain (GST). The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Company
- ii) **Sale of goods**  
Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped on-board.
- iii) **Revenue from services**  
Revenue from services is recognized in the accounting period in which the services are rendered.  
Other operating revenue - Export incentives Export Incentives under various schemes are accounted in the year of export.

5 Borrowing Cost:

Interest cost relating to:

- i) Funds borrowed for acquisition of fixed assets are capitalized till the date of commissioning of commercial production and thereafter charged to Profit & Loss account.
- ii) Funds borrowed for other purposes are charged to Profit & Loss A/c.

6 Inventory Valuation:

- i) Inventories are valued at lower of the cost and net realizable value.

(a) Raw Material	At lower of Cost or Net Realizable Value
(b) Stores & Spares	At lower of Cost or Net Realizable Value
(c) Finish Processed Fabrics (Job)	At lower of Cost or Net Realizable Value
(d) Work in process	At cost or realizable value wherever Possible, whichever is Lower.

- ii) Cost of Finish Goods & Process Stock includes cost of conversion and other cost incurred in bringing the inventories to their present location and conditions

- iii) Net Realizable value on Fabric received for job processing is the estimated processing price in the ordinary course of business, the estimated cost necessary to make the processing cycle complete

7 Government grants and subsidies:

Government grants relating to the purchase of property, plant and equipment are included in other equity as deferred income and are credited to statement of Profit and Loss on a systematic basis over the expected life of related assets and presented within other income.

8 Foreign Exchange Transaction:

- i) Transactions in foreign currencies are accounted for at prevailing exchange rates, Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realizations in the statement of profit and loss.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and loss.

9 Tax Expense:

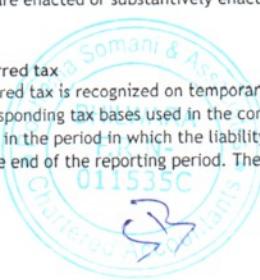
The tax expense for the period comprises current and deferred tax.

i) **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.



10 Provision, Contingent Liabilities and Contingent Assets:

- i) A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- ii) Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11 Gratuity and other post-employment benefits

- i) The Company recognizes contribution paid or payable to the provident fund as an expense.
- ii) Leave encashment is accounted for on the basis of accumulated leave to the credit of employees at the year end and amounts determined as per report obtained from actuarial valuer.
- iii) Gratuity is recognised as an expenses at the value of the amounts determined as per report obtained from actuarial valuer.

12 Earnings Per Share

i) Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

For POKHARNA SOMANI & ASSOCIATES

Chartered Accountants

(SUMIT BUMB)

Partner

(Firm Regn No.011535C/Membership No. 429413)

Place: Bhilwara

Date 02.09.2024

UDIN 24429413 BKCBZC2909



For and on behalf of Board of Directors  
Sonaselection India Limited

(Subhash Nuwal)  
Director  
DIN: 00104154

(Harshil Nuwal)  
Director  
DIN: 01474313