

SONASELECTION INDIA LIMITED

CIN: U17299RJ2022PLC079631

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

Email: sonaselection01@gmail.com

Contact: 9829046846

NOTICE

NOTICE is hereby given that the 01st Annual General Meeting of the Members of SONASELECTION INDIA LIMITED will be held on Saturday, 29th September, 2023 at 11:00 AM at 1 SANGAM TOWER OLD RTO ROAD, GANDHI NAGAR, BHILWARA, RAJASTHAN, INDIA, 311001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the company for the period ended 31st March, 2023 together with Report of the Board of Directors and Auditors thereon.
2. To re-appoint the Auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

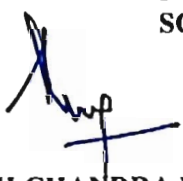
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under, M/S POKHARANA SOMANI & ASSOCIATES, Chartered Accountants of Bhilwara (FRN: 011535C), are hereby appointed as Statutory Auditors of the company, to hold office from the conclusion of this meeting till the conclusion of 6th Annual General Meeting of the company, subject to Reappointment by the Members of the company at every Annual General Meeting as per the provision of the Companies Act, 2013, at such remuneration plus service tax, out of pockets, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

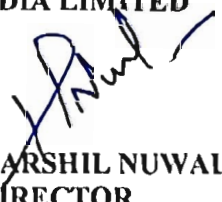
3. To appoint, a Director in place of Mr. SUBHASH CHANDRA NUWAL (DIN: 00104154) who retires by rotation and, being eligible, offers himself for re-appointment.

DATE:- 29.07.2023

PLACE:- BHILWARA

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


SUBHASH CHANDRA NUWAL
DIRECTOR
DIN:- 00104154


HARSHIL NUWAL
DIRECTOR
DIN:- 01474313

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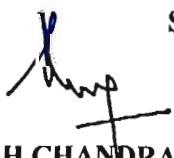
NOTES:-

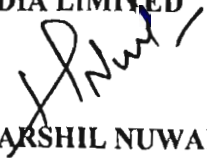
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
3. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
6. The Notice of AGM, Annual Report, Proxy Form and Attendance Slip are being sent to the Members.

DATE:- 29.07.2023

PLACE:- BHILWARA

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


SUBHASH CHANDRA NUWAL
DIRECTOR
DIN:- 00104154


HARSHIL NUWAL
DIRECTOR
DIN:- 01474313

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CIN: U17299RJ2022PLC079631

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Email: harshilnuwal@gmail.com

Contact: 9829046846

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 01st 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, 2023

1. Financial Highlights

The financial performance of the Company for the financial year ended 31st March, 2023 is summarized below:-

FINANCIAL RESULTS

(Amount in Lacs)	
Particulars	2022-23
Sales & Income from operation	9407.44
Other Income	3.58
Profit (Loss)before Financial cost , Depreciation and Exceptional items & Tax (EBITDA)	1808.00
Interest	244.38
Depreciation	358.99
Profit/(Loss) before Exceptional and Extraordinary items	1204.63
Exceptional & Extraordinary items	0
Profit/(Loss) before Tax	1204.63
Provision for Taxation	
Current tax	319.74
Deferred Tax	571.96
Profit after Tax	312.93
Taxation for previous year	0.00
profit available for appropriation	312.93
Dividend on Equity & Pref. Shares	0.00
Transfer to Reserve	312.93

2. OPERATIONS

During the reporting period company's performance was satisfactory in terms of revenue generation, the Company ensured continuous supply of products in the markets and total revenue from operations has reached **9407.44 Lacs** and other income (Interest Income on FDR and Interest Income on AVVNL) was 3.58 Lacs .

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Further, after meeting out all the administrative and other expenditures, the company has gained Net Profit (After Tax) of Rs. 312.93 Lacs.

A detailed analysis of the operations of your Company during the year under report is included in the Management Discussion and Analysis Report, forming part of this Annual Report.

3. DIVIDEND

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

4. CHANGE IN THE NATURE OF BUSINESS

The company has done the business in line with the main objects of the company during the year.

5. 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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

6. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The company does not have any SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES and vice versa.

7. EXPORTS

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has not exported any of their products and has made Sales completely from Indigenous Domestic Market.

8. DEPOSITS

The details relating to deposits, covered under Chapter V of the Act, (as per latest audited financial statements)

A)	accepted during the year	NIL.
b)	remained unpaid or unclaimed as at the end of the year	NIL.

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c)	whether there has been any default in repayment of deposits or payment of interest thereon during the S number of such cases and the total amount involved-	
(i)	at the beginning of the year	NIL NIL NIL
(ii)	maximum during the year	
(iii)	at the end of the year	

The Company has neither accepted nor renewed any deposits during the year under review. However company has secured term loan (From HDFC Bank) Rs. 2980.43 Lacs and Secured loan repayable on demand (CC limits from HDFC bank) of Rs. 1558.24 Lacs which is not considered as deposit as per rule 2 (1) (c) of the Companies (Acceptance of Deposit) Rules, 2014

9. DIRECTORS

Directors and Key Managerial Personnel

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	----

10. AUDITORS

a) Statutory Auditors

The First Auditors, M/S POKHARANA SOMANI & ASSOCIATES, Chartered Accountants, will re-appointed at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment for a period of 5 years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 6th Annual General Meeting [AGM].

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b) Cost Auditors

NOT APPLICABLE UNDER THE PROVISIONS OF COMPANIES ACT, 2013

c) Internal Auditors

NOT APPLICABLE UNDER THE PROVISIONS OF COMPANIES ACT, 2013

d) Secretarial Auditors

NOT APPLICABLE UNDER THE PROVISIONS OF COMPANIES ACT, 2013

11. AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

12. CHANGE OF NAME

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

13. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the financial year ended 31st March, 2023 as **ANNEXURE I**.

14. INTERNAL CONTROL SYSTEM

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.

15. PREVENTION OF SEXUAL HARASSMENT POLICY

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.

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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

16. RISK MANAGEMENT POLICY

Risk management is the process of making and carrying out decisions that will minimize the adverse effect of accidental losses upon our company. The risk management process is vital to the personal health and safety of employees and the safety of the public. In financial terms, it is vital to our ability to pursue our goals, commence and operate programs, and to perform duties in an efficient and professional manner.

The Board of directors of the Company has formed a risk management program to pursue our risk management goals and objectives. These goals and objectives include:

1. Avoiding exposure to accidental loss by not undertaking functions, contracts, programs or activities where the potential loss is greater than the potential benefit to be derived from these undertakings
2. Preventing loss by identifying loss exposures and implementing policies and procedures to reduce the risk of these losses occurring
3. Controlling losses that do occur by:
 - a. Assisting and supporting injured parties
 - b. Developing contingency plans for possible loss scenarios
 - c. Proper documentation and investigation of losses
4. Determining the most cost effective balance of different risk financing tools

17. SAFETY, HEALTH & ENVIRONMENT

Safety & Health of the employees have always assumed the highest importance in your company. The management is committed to ensure zero harm to its employees and to all persons within the Company premises. Safety and occupational health responsibilities are integral to the Company's business processes, as spelt out in the Company's Safety, Health and Environment Policies and Procedure.

18. INSURANCE

All the properties of the Company including buildings, plant and machineries and stocks have been adequately insured.

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19. LOANS, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There is no loan, guarantees or investment given by the company in this financial year which covers under section 186.

20. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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.

21. SHARE CAPITAL

A) Issue of equity shares with differential rights

No equity shares with differential rights have been issued during the year.

B) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

C) Issue of employee stock options

The Company has not provided any Stock Option Scheme to the employees.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

No such arrangement of money was made by the company for purchase of its own shares by employees or by trustees for benefit of employees.

E) Conversion of loan into Equity

The Company has issued 15,40,000 Equity Shares at Rs. 40/- premium per share (Total paid up Amount – 770.00 Lacs by way of conversion of loan into equity shares on 31.03.2022.

The Company has issued 15,50,000 Equity Shares at Rs. 40/- premium per share (Total paid up Amount – 775.00 Lacs by way of conversion of loan into equity shares on 31.05.2022.

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22. 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 31st march, 2023 exceeds Rs. 5 crore , hence provisions of Corporate Social Responsibility is applicable on the Company. Further, the total liability for CSR will be Rs. 24.09 Lacs which the company will spend from the year 2023-2024 for various social and other welfare programs.

23. FOREIGN EXCHANGE TRANSACTIONS

The company has performed any Foreign Exchange Transaction during the year.

24. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The requirement of disclosure of particulars with respect to conservation of energy & technology absorption is during the year ended 31st March, 2023.

Conservation of energy, technology absorption	- Not Applicable
Foreign exchange Earnings	- Nil
Foreign Exchange used	- Nil

25. 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

No such material legal decision has been passed during the year which may affect the going concern status of the company.

26. RELATED PARTY TRANSACTIONS:

There are transactions of remuneration paid with Related Parties during the year hence the provisions of Section 188 of the Companies Act, 2013 are attracted. Thus disclosure in form AOC-2 has been given as **ANNEXURE II**.

27. 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.

28. CORPORATE GOVERNANCE

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

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29. 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 where extract of Annual Return could be placed.

30. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements 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;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (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.

31. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India which have mandatory application during the year under review.

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32. DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to the Company.

33. VIGIL MECHANISM :

The provisions of section 177(10) of the Companies Act, 2013 are not applicable on the company.

34. DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES

A) BOARD MEETINGS:

The Board of Directors met 12 times during the financial year ended 31st March, 2023 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

The details of same and Attendance of Directors during financial year 2022-23 are as under :-

Date of Board Meeting	Board Strength	No. of Directors Present
21.02.2022	3	3
24.02.2022	3	3
02.03.2022	3	3
31.03.2022	3	3
15.04.2022	3	3
31.05.2022	3	3
15.06.2022	3	3
30.08.2022	3	3
13.10.2022	3	3
10.11.2022	3	3
11.01.2023	3	3
25.03.2023	3	3

DIN	Name of Director	No. of Board Meeting during the year		% of attendance
		Held	Attended	
00104154	SUBHASH CHANDRA NUWAL	12	12	100
00104156	UMA NUWAL	12	12	100
01474313	HARSHIL NUWAL	12	12	100

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B) GENERAL MEETINGS:

ANNUAL GENERAL MEETING :-

This is the First Annual General Meeting of the Company

EXTRA ORDINARY GENERAL MEETING :-

The company has held 1 Extra Ordinary General Meeting during the year on 28.02.2022

Date of Meeting	Type of Meeting	Total Number of Members entitled to attend meeting	Number of members attended	% of total shareholding of members attended
28.02.2022	Extra-Ordinary General Meeting	7	7	100
	Annual General Meeting	No Such Meeting held		

C) COMMITTEE MEETINGS:

AUDIT COMMITTEE

NOT APPLICABLE ON THE COMPANY UNDER THE APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

NOMINATION AND REMUNERATION COMMITTEE

NOT APPLICABLE ON THE COMPANY UNDER THE APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

STAKEHOLDERS RELATIONSHIP COMMITTEE

NOT APPLICABLE ON THE COMPANY UNDER THE APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

NOT APPLICABLE ON THE COMPANY UNDER THE APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

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35. DISCLOSURE ABOUT COST AUDIT

Cost Audit is not applicable to the products/ business of the Company for the FY 2022-2023.

36. STATUTORY COMPLIANCE

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

37. BOARD EVALUATION

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

38. MANAGERIAL REMUNERATION:

During the year, remuneration has been paid to the directors :-

(Amount in Lacs)			
Name of the Director / KMP & Designation	Remuneration	DESIGNATION	DIN
Mr. HARSHIL NUWAL	70.40/-	Director	01474313
Mrs. UMA NUWAL	35.20 /-	Director	00104156

39. VALUATION DETAIL

During the Financial year 2022-2023 the company has got the valuation on 27th February, 2022 at the rate of Rs. 50 per share (Fair value per Equity share) .

40. REMUNERATION POLICY

The provisions of Section 178 and 179 pertaining to the appointment of Nomination and Remuneration Committee is not apply to the Company.

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 2022-2023.

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42. 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.

43. 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).

44. ACKNOWLEDGEMENT

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.

45. CAUTIONARY STATEMENT

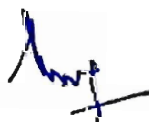
The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the Future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

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:- 29.07.2023

PLACE:- BHILWARA

On behalf of the Board of Directors
SONASELECTION INDIA LIMITED



SUBHASH CHANDRA NUWAL
DIRECTOR
DIN:- 00104154



HARSHIL NUWAL
DIRECTOR
DIN:- 01474313

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ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

❖ FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is building up its network to play a significant role from time to time.

❖ BUSINESS OVERVIEW

There being Rs. 9407.44 Lacs Revenue (from operations) during the year.

❖ MARKETING

The Company is setting up a good marketing team to enter to increased turnover.

❖ SWOT

Our strength is our determination and team work, weakness is the low equity base, opportunities are multiples and threats are the vibrations in the economy and government policies.

The financial highlights are as under: -

(Amount in Lacs.)

Turnover for the year 2022-2023	9407.44
Taxation	891.70
Profit after tax	312.93
Paid up equity share capital as on 31 st March 2023	310.00

❖ INTERNAL CONTROL

The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective.

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Contact: 9829046846

❖ SEGMENT WISE REPORTING

During the year under review, Company has achieved Rs. 9407.44 Lacs in sales.

❖ OUTLOOK

❖ MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

❖ DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

❖ RISKS AND CONCERNS

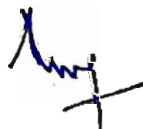
In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavour is to maximize returns. The Company continues to take all steps necessary to minimise its expenses through detailed studies and interaction with experts.

❖ CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

DATE:- 29.07.2023
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)	SERVICE	MORE THAN 1 YEAR		21.02.2022	-
2	SONA TEXTAB PRIVATE LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SERVICE	MORE THAN 1 YEAR		21.02.2022	
3	SONA TEXTAB 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	
5	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE OF FIXED ASSETS UNDER SLUMP SALE	MORE THAN 1 YEAR		21.02.2022	
6	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE	MORE THAN 1 YEAR		21.02.2022	
7	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	RENT	MORE THAN 1 YEAR		21.02.2022	
8	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SERVICE	MORE THAN 1 YEAR		21.02.2022	
9	SONA PROCESSORS INDIA LIMITED(SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SALE	MORE THAN 1 YEAR		21.02.2022	

DATE:- 29.07.2023
PLACE:- BHILWARAFor & on behalf of the Board of Directors
SONASELECTION INDIA LIMITEDSUBHASH CHANDRA NUWAL
DIRECTOR
DIN:- 00104154HARSHIL NUWAL
DIRECTOR
DIN:-01474313

POKHARNA SOMANI & ASSOCIATES
CHARTERED ACCOUNTANTS



Ph.: +91 1482 241112
Cell: +91 94140 19413

E-mail : pokharnasomani@yahoo.co.in

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 31st March, 2023, Statement of Profit and Loss and Cash Flow Statement for the year ended 11st February, 2022 to 31st March, 2023 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, 2023, and its loss and its cash flow for the year ended on that date

Basis for Opinion

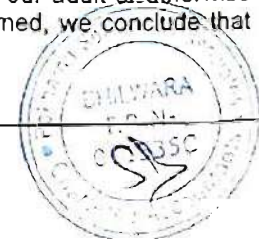
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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.

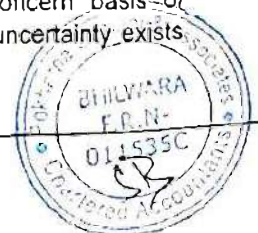
Management's Responsibility those charged with governance for the Financial Statements:

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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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)
PARTNER
M.NO 429413

PLACE : BHILWARA
DATE : 29.07.2023
UDIN : 23429413BGVTNO6451

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 31st March, 2023, 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 31st March, 2023 for a period more than six months.

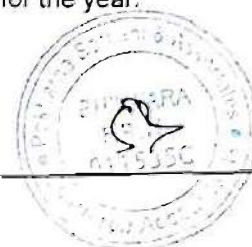
b) In our opinion and according to the information & explanations given to us, there are no dues in respect of income tax, wealth tax, Sales tax, excise duty, custom duty and cess that have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the 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 made preferential allotment of 31,00,000 nos. 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 to 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 : 29.07.2023
UDIN : 23429413BGVTNO6451



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 31st March, 2023, 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, 2023, 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

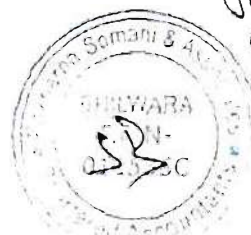
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2023, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India.

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

PLACE : BHILWARA
DATE : 29.07.2023
UDIN : 23429413BGVTNO6451



(SUMIT BUMB)
PARTNER
M.NO 429413

PART I – BALANCE SHEET

SONASELECTION INDIA LIMITED

Name of the Company

Balance Sheet as at 31st March, 2023

Amount in Lacs

Particulars	Note No.	Figures as at the end of current reporting period
1	2	3
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1	310.00
(b) Reserves and surplus	2	2,336.31
Share application money pending allotment		-
2 Non-current liabilities		
(a) Long-term borrowings	3	2,644.92
(b) Deferred tax liabilities (Net)	26	571.96
		-
3 Current liabilities		
(a) Short-term borrowings	4	1,893.74
(b) Trade payables		-
i) Total O/s dues of micro and small enterprises	5	80.35
ii) Total O/s dues other than (b) (i) above	5	341.85
(c) Other current liabilities	6	265.04
(d) Short-term provisions	7	319.74
TOTAL		8,763.92
II. ASSETS		
Non-current assets		
1 Property, Plant and Equipment	8	4,911.11
(i) Tangible assets	8	-
(ii) Intangible assets	8	-
(iii) Capital work-in-progress	9	52.64
(b) Other Non- Current Asset		
2 Current assets		
(a) Trade Receivable	10	1,483.98
(b) Inventories	11	1,461.69
(c) Cash and cash equivalents	12	147.21
(d) Short-term loans and advances	13	-
(d) Other current assets	14	707.28
TOTAL		8,763.92

Notes to Accounts from Note No. 1 to 30 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 29.07.2023

UDIN 23429413BGVTN06451

For and on behalf of Board of Directors
SONASELECTION INDIA LIMITED

(Subhash Nuwal)

Director

DIN: 00104154

(Harshil Nuwal)

Director

DIN: 01474313

ST II - STATEMENT OF PROFIT AND LOSS

me of the Company
ofit and loss statement for the year ended 31st March,2023

SONASELECTION INDIA LIMITED

Amount in Lacs

Particulars	Refer Note No.	Figures for the current reporting period
I. Revenue from operations	15	9,407.44
II. Other Income	16	3.58
III. Total Revenue (I + II)		9,411.01
IV. Expenses:		
Consumption of Raw Material	17	4,614.66
Purchases of Stock-in-Trade	18	272.10
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(761.64)
Employee benefits expense	20	1,441.17
Finance costs	21	244.38
Depreciation and amortization expense	8	358.99
Other expenses	22	2,036.73
Total expenses		8,206.38
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,204.63
VI. Exceptional Items		-
VII. Profit before extraordinary items and tax (V - VI)		1,204.63
VIII. Extraordinary Items		-
IX. Profit before tax (VII- VIII)		1,204.63
X Tax expense:		
(1) Current tax		319.74
(2) Deferred tax	26	571.96
XI Profit (Loss) for the period from continuing operations (VII- VIII)		312.93
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)		-
XV Profit (Loss) for the period (XI + XIV)		312.93
XVI Earnings per equity share:		
(1) Basic		10.09
(2) Diluted		10.09

Notes to Accounts from Note No. 1 to 30 form an integral part of these accounts.

As per our report of even date attached.

For POKHARNA SOMANI & ASSOCIATES

Chartered Accountants

Sumit Bumb
(SUMIT BUMB)

Partner

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

Place: Bhilwara

Date: 29.07.2023

UDIN 23429413BGMTN06451



For and on behalf of Board of Directors
SONASELECTION INDIA LIMITED

(Subhash Nuwal)
Director
DIN: 00104154

Harshil Nuwal
(Harshil Nuwal)
Director
DIN: 01474313

Name of the Company
Cash Flow statement for the year ended 31st March, 2023

SONASELECTION INDIA LIMITED

Amount in Lacs

No	Particulars	As at 31 March 2023	
	Cash Flow from Operating Activities		
	Net Profit/Loss before extra ordinary items and tax		1,204.63
	Adjustments for:		
	Depreciation and Amortisation	358.99	
	Interest	244.38	
			603.37
	Operating Profit before Working Capital changes		1,808.00
	Changes in Working Capital:		
	Adjustments for (Increase)/ decrease in operating assets:		
	Inventories	(1,483.98)	
	Trade Receivables	(1,461.69)	
	Other Non- Current Asset	(52.64)	
	Loans and Advances	-	
	Other Current Assets	(707.28)	
	Decrease/(Increase) in Current Assets		(3,705.59)
	Adjustments for increase/ (decrease) in operating liabilities:		
	Trade Payables	422.19	
	Other Current Liabilities	265.04	
	Provisions	319.74	
	Increase/ (Decrease) in Current Liabilities		1,006.98
	Cash generated from operations		(890.61)
	Less Taxes paid		319.74
	Net cash flow from / (used in) operating activities (A)		(1,210.35)
B	Cash flow from investing activities		
	Purchase of fixed assets	(4,500.28)	
	Capital WIP	-	
	Sale of Fixed Assets	17.56	
	Current Investments	-	
	Net cash flow from/(used in) investing activities (B)		(4,482.73)
C	Cash flow from financing activities		
	Proceeds from Equity Share Capital	1,546.00	
	Proceeds/(Repayment) of short term borrowing	1,893.74	
	Proceeds from long term borrowing	2,644.92	
	Interest paid	(244.38)	
	Net cash flow from / (used in) financing activities (C)		5,840.29
	Net Increase / (decrease) in Cash and cash equivalents (A+B+C)		147.21
	Cash and cash equivalents at the beginning of the year		-
	Cash and cash equivalents at the end of the year *		147.21
	* Comprises:		
	a) Cash on hand		0.25
	b) Cheques/ Drafts on hand		-
	c) Balances with Bank:		146.96
	d) Others		
	e) Current Investments		
			147.21

Notes to Accounts from Note No. 1 to 30 form an integral part of these accounts.

As per our report of even date attached.

For POKHARNA SOMANI & ASSOCIATES

Chartered Accountants

Sumit Bumb

(SUMIT BUMB)

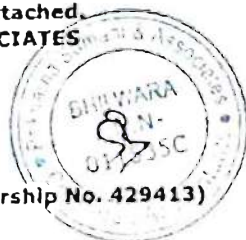
Partner

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

Place: Bhilwara

Date 29.07.2023

UDIN 23429413BGVTN06451



For and on behalf of Board of Directors
SONASELECTION INDIA LIMITED

(Subhash Nuwal)

Director

DIN: 00104154

(Harshit Nuwal)

Director

DIN: 01474313

e 1 Share Capital

	As at 31 March 2023	
	Number	Amount In Lacs
Authorised Equity Shares of ` 10/- each.	3,250,000	325.00
Issued Equity Shares of ` 10/- each	3,100,000	310.00
Subscribed & Paid up Equity Shares of ` 10/- each fully paid	3,100,000	310.00
Total	3,100,000	310.00

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

	Equity Shares	
	Number	Amount In Lacs
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	3,100,000	310.00
Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,100,000	310.00

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 Company

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

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

Note 1.5 Details of shares held by each Promoters

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



Note 2 Reserves & Surplus

Amount in Lacs

	As at 31st March 2023
a. Securities Premium Account	
Opening Balance	-
Add : Securities premium credited on Share Issue	1,236.00
(-) Written Back in Current Year	
Closing Balance	1,236.00
b. Capital Reserve	
Opening Balance	
(+) Current Year Transfer	787.38
(-) Written Back in Current Year	
Closing Balance	787.38
c. Surplus	
Opening balance	
(+) Net Profit/(Net Loss) For the current year	312.93
Closing Balance	312.93
Total	2,336.31

Note 3 Long Term Borrowings

	As at 31st March 2023
Secured	
Term loans	
From HDFC Bank	2,980.43
Less : current maturities of term loans (Included in note 4)	335.51
Total	2,644.92

Notes and Terms & Condition of Loans:-

1. TERM Loan has been taken from HDFC which is repayable in 84 Monthly Installment. The Loan is secured by first mortgage and charge in favor of the Bank on all the companies fixed assets both present and future and personal guarantee of the promoters of the company.

Note 4 Short Term Borrowings

	As at 31st March 2023
Secured	
(a) Loans repayable on demand	
- CC Limits From HDFC Bank	1,558.24
Secured by hypothecation of stocks, book debts and mortgage of fixed assets	
(The above is guaranteed by Directors)	
Current Maturity of Long term Borrowing	335.51
TOTAL	1,893.74



Note 5 Trade Payables

	As at 31st March 2023
a Total Outstanding dues of the micro and small enterprises	80.35
b Total Outstanding dues other than (a) above	341.85
Total	422.19

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

Period	MSME	Others	Disputes dues - MSME	Disputes dues - Others	Total
Unbilled Dues	-	-	-	-	-
less than 1 years	80.08	259.29	-	-	339.37
1-2 years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 years	-	2.48	-	-	2.48
Total as on 31.03.2023	80.08	261.77	-	-	341.85

Note 6 Other Current Liabilities

	As at 31st March 2023
Creditor for Expenses	100.85
Employees & Worker Dues	93.04
Statutory remittances (Contribution to PF, ESIC & TDS etc.)	21.35
Leave Encashment Payable A/C	12.32
Gratuity Payable A/C	19.12
Interest accrued but not due on borrowings	17.70
Audit Fee Payable	0.68
Total	265.04

Note 7 Short Term Provisions

	As at 31st March 2023
(a) Others (Specify nature)	
Provision for Income Tax	319.74
Total	319.74



Note 8 Tangible and Intangible Assets

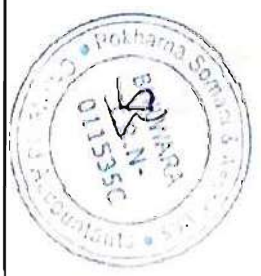
Assets	Gross Block			Accumulated Depreciation			Amount in Lakhs	
	Balance as at 01 April, 2022	Additions	Disposals	Balance as at 31 March, 2023	Balance as at 01 April, 2022	Depreciation charge for the year	Balance as at 31 March, 2023	Balance as at 31 March, 2023
Tangible Assets								
i Land	-	0.00	-	370.25	-	20.92	20.92	370.25
ii Buildings	-	926.82	-	926.82	-	337.72	334.94	905.90
iii Plant and Equipment	-	3,985.42	20.35	3,965.08	-	0.02	0.02	3,630.14
iv Furniture and Fixtures	-	0.55	-	0.55	-	0.14	0.14	0.53
v Vehicles	-	0.84	-	0.84	-	0.04	0.04	0.70
vi Office equipment	-	3.04	-	3.04	-	0.15	0.15	3.00
vii Computer/Inverters/UPS	-	0.75	-	0.75	-	-	-	0.60
Total	-	5,287.66	20.35	5,267.32	-	358.99	2.79	356.21
Capital Work In Progress								
Previous Year	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Total	-	5,287.66	20.35	5,267.32	-	358.99	2.79	4,911.11

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:

Particulars		For the year ended 31 March 2023
Depreciation and amortisation on Tangible Assets as per I above		358.99
Depreciation and amortisation on Intangible Assets as per II above		-
TOTAL		358.99



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 31.03.2023
	less than 1 year	1-2 years	2-3 years	
Project In Progress	-	-	-	-
Project temporarily suspended	-	-	-	-

Note 9 Other Non Current Assets

Amount in Lacs

	As at 31 March
	2023
b. Security Deposits	
Secured, considered good	
Unsecured, considered good	
with AVVNL	52.44
with CDSL	0.10
With NSDL	0.10
Doubtful	-
Less: Provision for doubtful deposits	-
	52.64
Total	52.64

Note 10 Trade Receivables

	As at 31 March
	2023
Secured, considered good	
Unsecured & Undisputed, considered good	1,483.98
Unsecured & Undisputed, considered doubtful	-
Unsecured & Disputed, considered good	
Unsecured & undisputed, considered good	
Less: Provision for doubtful debts	
Total	1,483.98

Note 10 (a) Trade Receivable ageing schedule:

Period	Undisputed Trade Receivable Considered Goods
Less than 6 Months	1,483.93
6 months-1 years	0.05
1-2 years	-
2-3 Years	-
More than 3 years	-
Total	1,483.98



1 Inventories**Amount in Lacs**

	As at 31 March, 2023
(Values at Lower of Cost and Market Value)	
(a) Raw materials	
Dyes & Chemical	321.02
Coal & Fuel	296.08
(b) Work-in-progress (To the extend of Processing Cost)	200.03
(c) Own Fabrics	273.19
(d) Finished goods - (To the extend of Processing Cost)	288.42
(e) Stores and spares & Packing Material	82.95
Total	1,461.69

Note 12 Cash and cash equivalents

	As at 31 March, 2023
a. Balances with banks	
In deposit Account with maturity up to 12 months	146.96
As margin money against borrowing, guarantee and other commitments	146.96
b. Cheques, drafts on hand	
c. Cash on hand*	0.25
d. Others (specify nature)	-
	147.21

Note 13 Short-term loans and advances

	As at 31 March, 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, 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, 2023
GST Receivable	412.90
Prepaid Expenses	5.85
YDS / TCS Receivable	182.21
Interest Receivable	2.01
Other Advances	4.31
Advance Income tax	100.00
	707.28



Note 15 Revenue from operations		Amount In Lacs
	For the Period ended 31 March 2023	
Fabric Job Processing	9,153.93	
Fabric Sale (Domestic)	237.23	
Store & Chemical Sale A/C	16.28	
Total	9,407.44	

Note 16 Other Income		For the Period ended 31 March 2023
Interest Income on FDR	0.79	
Interest Income on AVVNL	2.78	
Total	3.58	

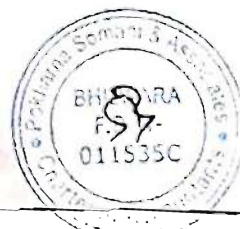
Note 17 Raw Material Consumption		For the Period ended 31 March 2023
Raw Material :		
Stock at beginning of the year	-	
Purchases during the year (Net of return)	5,231.75	
Stock at end of the year	617.09	
Raw material Consumed	4,614.66	
Material consumed comprise of		
Dyes & Chemicals	2,099.99	
Grey Fabric	450.31	
Coal & Fuel	2,064.36	
Total	4,614.66	

Note 18 Goods purchased/ services rendered or supplied under broad head		For the year ended 31 March 2023
Goods Purchased		
Finish Fabric Purchases	272.10	
Total	272.10	

Note 19 Changes in inventories of finished goods work-in-progress and Stock-in-Trade		For the year ended 31 March 2023
Opening Stock		
Finished goods (Job)	-	
Work In progress (Job)	-	
Fabric (Own)	-	
Closing Stock		
Finished goods (Job)	288.42	
Work In progress (Job)	200.03	
Fabric (Own)	273.19	
Change In Inventories	761.64	
	(761.64)	



Amount In Lacs	
Note 20 Employee Benefits Expense	
	For the Period ended 31 March 2023
Salaries & Wages, Bonus & Leave encashment & Gratuity	1,362.36
Contributions to Provident, ESI	44.12
Staff welfare expenses	34.68
Total	1,441.17
Note 21 Finance Costs	
	For the Period ended 31 March 2023
Interest Paid on	
Term Loan	187.80
Working Capital	56.53
Bank Processing Charges	0.05
Total	244.38
Note 22 Other Expenses in major heads	
	For the Period ended 31 March 2023
Direct / Production Overheads	
Consumption of stores and spare parts	674.69
Consumption of packing material	143.08
Power Expenses	457.91
Effluent Treatment & Water Expenses	106.90
Repairs and maintenance - Buildings	1.76
Repairs and maintenance - Machinery	37.85
	a 1,422.20
Establishment & Administrative Expenses	
Bank Charges	20.93
Membership & Subscription Fees	0.22
Festival & Pooja Expenses	1.77
Share Issued Exp.	0.41
Repair Others	0.25
Donation Expenses	1.65
Director Remuneration	105.60
Insurance Charges	10.97
Legal & Professional Expenses	56.46
Office Expenses	1.03
Payment to Auditors (Refer Note 20)	0.75
Printing & Stationary Exp.	7.55
Lease Rent Expenses	206.19
Rate & Taxes Exp.	2.13
Telephone & Internet charges	1.26
Sundry Balance Written off	0.09
Postage & Courier Exp.	0.20
Loss on Sale of Fixed Assets	11.06
Travelling Exp. & conveyance Expenses	2.62
	b 431.13
Selling and Distribution Expenses	
Freight and forwarding	145.05
Cash discount	38.35
	c 183.40
TOTAL (a+b+c)	2,036.73



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

	As at 31 March 2023
(i) Contingent Liabilities	
(a) Claims against the company not acknowledged as debt	-
(ii) Commitments	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-

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

	Amount in Lacs
Particulars	For the year ended 31 March 2023
A. Auditor	0.50
B. For taxation matters	0.25
Total	0.75

Note 26 Break up of Deferred Tax Assets/ Liabilities

	Amount in Lacs
Particulars	For the year ended 31 March 2023
Net Block as per Income Tax Act	2,711.28
Net Block as per Companies Act	4,911.11
Difference in net block	2,199.84
Less-Unabsorbed Depreciation	-
Eligible amount for calculation of DTL / (DTA)	2,199.84
Deferred Tax liability (Assets) for the year	571.96
Deferred Tax Liability (Assest) upto the Previous year	-
Net Deferred Tax Liability/ (Asset) provision for the year	571.96



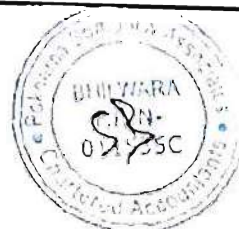
Note 27 Expenditure Incurred on following Items

S. No	Particulars	Amount in Lacs
		For the year ended 31 March 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	
	2023	
	i. Imported 0%	-
	ii. Indigenous 100%	4,886.76
6	Total value of spare parts and components consumed during the financial year	
	Percentage	
	2023	
	i. Imported 0%	-
	ii. Indigenous 100%	457.91

Note 28 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's Relative	Deepank Bhandari
Significantly influenced by Directors	Sona Styles Limited
	Sona Processors (I) Ltd.
	Sona Tex Fab Private Limited

Nature of transaction	Amount in Lacs
	For the year ended 31 March 2023
Remuneration To Harshil Nuwal	70.40
Remuneration To Uma Nuwal	35.20
Professional Fee paid to Deepank Bhandari	47.20
Job Process charges received from Sona Styles Limited	228.45
Job Process charges received from Sona Texfab Private Limited	37.60
Fabrics Purchase from Sona Texfab Private Limited	2.72
Fabrics Purchase from Sona Styles Limited	17.85
Factory Unit Purchase from Sona Processors India Limited under Slump Sale	1,621.00
Mills Store, Dyes & Chemical Purchases from Sona Processors India Limited	86.93
Lease rent to Sona Processors India Limited	230.69
Job Process Charges From Sona Processors India Limited	81.57
Store Sale to Sona Processors India Limited	14.32



Annexure 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 current financial statements have been prepared for a period from 11st February, 2022, i.e., date of incorporation to 31st March, 2023. Hence, this being the first financial statements, previous year figures are not applicable.

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 Development (MSMED) Act 2006" as at 31st March 2023. Total outstanding is Rs. 80.35 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 2023
Current Ratio	Current assets	Current liabilities	3.77
Debt Equity Ratio	Total debt	Shareholder's Equity	1.72
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.37
Return of Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.20
Inventory turnover ratio	Sales	Average Inventory	5.44
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	6.34
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	13.04
Net Capital turnover ratio	Net Sales	Working Capital	3.27
Net profit ratio %	Net Profit	Net Sales	0.03
Return on capital employed %	Earning before interest and taxes (EBIT)	Capital Employed	0.34

9. Title deeds of immovable properties

The company does not hold any land as disclosed in Note No. 8.

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 wilful defaulter by any lender who has powers to declare a company as a wilful 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;
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
 - Provide any guarantee, security or the like 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;
- 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
 - 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.



Significant Accounting Policies

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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 onboard.

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 Costs:

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 charge 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 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 yearend 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.



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.
- iii) Gratuity is recognised as an expenses at the present value of the amounts payable determined using's estimates.

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

(Signature)
(SUMIT BUMB)

Partner

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

Place: Bhilwara

Date: 29.07.2023

UDIN: 23429413BGMTNO6451



For and on behalf of Board of Directors
SONASELECTION INDIA LIMITED

(Subhash 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	Sailent 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	Sailent 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)	SERVICE	MORE THAN 1 YEAR		21.02.2022	
2	SONA TEXTAB PRIVATE LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SERVICE	MORE THAN 1 YEAR		21.02.2022	
3	SONA TEXTAB 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	
5	SONA PROCESSORS INDIA LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE OF FIXED ASSETS UNDER SLUMP SALE	MORE THAN 1 YEAR		21.02.2022	
6	SONA PROCESSORS INDIA LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	PURCHASE	MORE THAN 1 YEAR		21.02.2022	
7	SONA PROCESSORS INDIA LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	RENT	MORE THAN 1 YEAR		21.02.2022	
8	SONA PROCESSORS INDIA LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SERVICE	MORE THAN 1 YEAR		21.02.2022	
9	SONA PROCESSORS INDIA LIMITED (SIGNIFICANTLY INFLUENCED BY DIRECTOR)	SALE	MORE THAN 1 YEAR		21.02.2022	

DATE:- 29.07.2023
PLACE:- BHILWARAFor & on behalf of the Board of Directors
SONASELECTION INDIA LIMITEDSUDHASH CHANDRA NUWAL
DIRECTOR
DIN:- 00104154HARSHIL NUWAL
DIRECTOR
DIN:- 01474313