

SONA MACHINERY LIMITED

Corp. office/Factory Address: F-16 & C-1, Sec A-3, Tronica
City, Loni, Ghaziabad, Uttar Pradesh, India, 201103



Date: 02/09/2024

**To,
National Stock Exchange of India Limited
Listing Compliance Department,
Exchange Plaza, Plot No. C – 1,
Block - G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051**

**Symbol- SONAMAC
ISIN- INE0Q6H01012**

Sub: Fifth (5th) Annual Report of the Company for the Financial Year 2023-24 of Sona Machinery Limited

Dear Sir/Madam,

In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the year 2023-24.

The same is also made available on the website of the Company <https://www.sonamachinery.com/>.

We request you to take above on your record.

Thanking you,

Yours sincerely,
**For SONA MACHINERY LIMITED
(Formerly known as Sona Machinery Private Limited)**

**Supriya
Company Secretary & Compliance Officer
M. No. A57314**

**CIN: L29256DL2019PLC345856
GSTIN: 09ABBCS5790C1Z8
Email: Support@sonamachinery.com
Web: www.sonamachinery.com
Call: +91- 9599002201**

Sona Machinery Limited
(Formerly Known as Sona Machinery Pvt. Ltd.)
**Regd. Office: 701, 7th floor, KLJ tower, Plot No.
B-5, Netaji Subhash Place, Maurya Enclave,
North West Delhi, Delhi, India, 110034**



INTELLIGENT MILLING SOLUTIONS FOR THE FUTURE



ANNUAL REPORT
2023-24



INTELLIGENT MILLING SOLUTIONS FOR THE FUTURE

5TH ANNUAL REPORT 2023-24



To view this report online and to know more about us,
please visit: www.sonamachinery.com

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About Us

Sona Machinery, originally incorporated as "Sona Machinery Private Limited" on February 12, 2019, under the Companies Act, 2013, with the Registrar of Companies, Delhi.

During financial year 2023-24 the company has undergone significant changes and converted into a Public Limited Company and renamed as "Sona Machinery Limited." This change was formalized with a new certificate of incorporation issued on October 17, 2023.

Our diverse product range caters to various segments of the agro-processing industry. We offer advanced equipment including Grains Pre-Cleaner Machines, Rotary Drum Cleaners, Vibro Classifiers, Stone Separator Machines, Paddy De-Huskers, Husk Aspirators, Rice Thick/Thin Graders, Rice Whiteners, Silky Polishers, Multi Graders, Length Graders, Belt Conveyors, and Bucket Elevators.

We deliver end to end, a comprehensive project solution for rice mills and ethanol distilleries, managing every stage, ensuring seamless and efficient operations.

We introduced the Color Sortex machinery, a cutting-edge addition to our product lineup. This advanced equipment leverages state-of-the-art imaging technology and high-speed sorting capabilities to deliver exceptional accuracy in color-based grain sorting.

Our company provides comprehensive services including engineering, erection, supervision, and commissioning.

In the financial year 2024, our company significantly expanded its footprint across India, marking its presence in many states. While we have long maintained a pan-India presence, this recent expansion underscores our growing influence and the effectiveness of our strategic initiatives aimed at enhancing market reach. This

broader presence allows us to better serve a diverse customer base across the country, reinforcing our commitment to being a leading player in the agro-processing equipment industry nationwide.

Our manufacturing unit, located in Ghaziabad, Uttar Pradesh, spans approximately 52,205 sq. ft. and is equipped with modern infrastructure and a dedicated warehouse to support efficient production and storage.

In the financial year 2023-24, our company achieved remarkable growth in domestic sales, driven by a combination of strategic initiatives and strong market demand. Our expanded product portfolio, including advanced agro-processing machinery and comprehensive project solutions for rice mills and ethanol distilleries, resonated well with clients across the country.

We have successfully established a strong presence in key global markets, including Nigeria, Bangladesh, Kenya, and Nepal. This expansion into international territories highlights our commitment to global outreach and our ability to meet the diverse needs of customers beyond India.

The company is led by Vasu Naren, our Promoter, who oversees all key business operations in the milling equipment manufacturing sector. Shweta Baisla, our Chief Financial Officer and Whole Time Director, manages financial and legal matters. Their leadership and expertise continue to drive Sona Machinery's growth and success.

Our leadership's extensive experience and commitment to innovation continue to drive our growth and success, positioning Sona Machinery for sustained advancement in both domestic and international markets.

MILESTONES

2003 - 2014
The Foundation



2015 - 2018
A New Vision



2019 - 2020
Strategic
Transformation



2021 - 2022
Establishing Market
Presence



2022- 2023
Scaling New
Heights



2023 - 2024
Entering a New Era



Mr. Narender Kumar
Founder

Mr Narender Kumar has been in the agro-processing business since 1995 and founded Sona Foods India in 2003. His extensive experience and deep industry knowledge led to the creation of Sona Machinery, which has since become a leading provider of customized rice milling plants and solutions. His deep understanding of market trends, combined with his technical expertise, enabled him to offer customized rice milling plants and solutions that catered specifically to the diverse needs of his clients. Under his leadership, laid the foundation for Sona Machinery, a company that has grown to be recognized as country's leading Original Equipment Manufacturers (OEM) and supplier of a diversified range of Agri-Machinery Processing & EPC Solutions for Grain based Distilleries. Mr. Kumar's long-standing commitment to the industry and his ability to foresee and adapt to market demands have been instrumental in shaping the company's growth and positioning it at the forefront of milling technology. His decades of hands-on experience continue to drive the company's innovation and excellence in the agro-processing sector.



2003 - 2014

The Foundation

- We started our business in year **2003**, as a proprietorship concern in the name of M/s Sona foods India.
- **Mr Narender Kumar** is the founder of the business.
- **Sona Foods India** is a manufacturing concern which is manufacturing agro-processing equipment's.



Mr Vasu Naren
Chairman & MD

2015 - 2018

A New Vision

- **Mr. Vasu Naren** joined the family business, bringing fresh strategic insights and a dynamic approach.

Under his leadership, the business began to experience significant growth, paving the way for future expansions and success.





- **Mr. Vasu Naren** keeping the vision of growth in mind re-established the business as a registered company.
- The Company got its Certificate of Incorporation on **12th February, 2019** in the name of M/s Sona Machinery Private Limited.
- **Mr. Vasu Naren & Mr. Narender Kumar** were the promoters and First directors of the Company.
- Sona Machinery Private limited bought all the assets and inventories of M/s Sona Foods India.

2019 - 2020

Strategic Transformation



2021 - 2022

Establishing Market Presence

- **On 1st January, 2021** Company Officially commenced its business as Sona Machinery Private Limited.
- At the closure of its first financial year 2020-21, the company generated a revenue of **Rs. 604.19 Lacs** and the business is showing **significant growth**.
- We generated the employment for **300** people on permanent roll of the company.
- We started providing after sale services for better output of the work.





2022 - 23
Scaling New Heights

Ms. Shweta Baisla
Chief Financial Officer
& Whole Time Director

- **Ms. Shweta Baisla** joined the business as Director of the Company.
- Increased our PAN India Presence and started exporting to other countries such as Nigeria, Nepal, South Africa etc.
- The company got the “**Top 10 Industrial Service Provider 2022**” award by Industry Outlook and “**Prestigious Brands Asia 2022**” Award by **Barc Asia**.
- The Company reached the turnover of **8,096.63 lakhs**, which was almost **181%** of the previous year.

Diversified in the Ethanol Division

- Sona Machinery becomes one of the country's leading Original Equipment Manufacturers (OEM) and supplier of a diversified range of Agri-Machinery Processing & EPC Solutions for Grain based Distilleries.





2023 - 2024
Entering a New Era



- The Company came up with its initial public offer of **3724000 equity shares** and got subscribed by **254 times**.
- On **13th March, 2024** the company got listed on the **NSE (SME) Portal**
- As the objective of **IPO** bought the land for **setting up of New Factory**, which will add on the manufacturing capacity of the Company.
- **SONA** become the only listed company of this segment
- The Company is establishing its new manufacturing facility in **Ghaziabad, Uttar Pradesh**.
- Introduced fully automated New Multi-Functional Color Sorter



#SONAMAC

Pan India Presence

Robust and extensive pan-India & Global presence in Nigeria, Bangladesh, Kenya, Nepal etc.



GLOBAL SALES

200+
TURNKEY PROJECTS



FROM THE CHAIRMAN'S DESK

Well positioned to capitalise on opportunities

Dear Shareholders,

It is my privilege to present to you the Annual Report for the financial year 2023-24. This year has been a landmark one for our company, as we continue to forge ahead in our mission to lead the rice milling and ethanol distillery machinery manufacturing sectors with innovation, quality, and sustainability at the forefront.

Industry Overview

The agricultural and industrial sectors in India have seen significant developments over the past year. The government's focus on



agricultural modernization, sustainable energy, and rural development has opened new avenues for growth in our industry. The increasing demand for ethanol, driven by the National Biofuel Policy and the push towards energy independence, has created robust opportunities for our ethanol machinery segment. Meanwhile, the need for efficient and modern rice milling solutions continues to grow as India maintains its position as a global leader in rice production.

Company Performance

I am pleased to report that our company has delivered a strong performance in this dynamic environment. Our revenue for the year grew by 17.70%, driven by robust demand for our cutting-edge machinery and the successful execution of several key projects. Our profit after tax increased by 36.32%, reflecting our focus on operational efficiency and cost management.

The rice milling machinery segment saw significant growth, with increased sales across both domestic and international markets. We have continued to innovate, introducing new products that cater to the evolving needs of the industry, ensuring higher efficiency and reduced operational costs for our clients.

In the ethanol machinery segment, we have made substantial progress, securing several large contracts and expanding our product offerings to include advanced technologies that support the production of biofuels. This segment has shown exceptional promise, and we anticipate continued growth as the demand for ethanol accelerates.

Strategic Initiatives

Throughout the year, we are focused on expanding our manufacturing capacity, investing

in research and development, and enhancing our technological capabilities. Our new manufacturing facility, equipped with state-of-the-art technology, is now fully operational, allowing us to meet the growing demand for our products.

We have also strengthened our customer support and service networks, ensuring that we provide end-to-end solutions that meet the highest standards of quality and reliability. Our commitment to sustainability remains unwavering, with continuous efforts to reduce our environmental impact through energy-efficient processes and the promotion of eco-friendly technologies.

Sustainability & Corporate Responsibility

Our company is deeply committed to the principles of sustainability and social responsibility. We recognize the importance of reducing our carbon footprint and are actively working on developing more energy-efficient machinery. Additionally, our corporate social responsibility initiatives have focused on supporting rural communities, promoting education, and enhancing livelihoods through various developmental programs.

Prudent steps for a stronger tomorrow

Looking Ahead

As we look forward to the coming years, we are optimistic about the growth potential in both the rice milling and ethanol distillery machinery sectors. The increasing focus on sustainable energy and food security presents significant opportunities for our business. We are well-prepared to capitalize on these opportunities with our robust product portfolio, strong market presence, and a dedicated team.

I would like to express my sincere gratitude to our Board of Directors for their guidance and strategic insights. I also want to thank our employees for their hard work and dedication, which have been instrumental in our success. Lastly, I extend my deepest appreciation to our shareholders for their continued trust and confidence in our company.

Together, we will continue to drive innovation, growth, and value creation, ensuring that we remain a leader in the industry for years to come."

Sincerely,
Vasu Naren





FROM THE CFO'S DESK

Dear Shareholders,

As we reflect on the past year, I am honored to present the financial results and key achievements of Sona Machinery for the fiscal year 2023-24. This year has been a transformative period for our company, marked by significant milestones that have reinforced our position as a leader in the agro-processing equipment industry. The successful transition from a private entity to a publicly listed company through our initial public offering (IPO) is a testament to our collective efforts and unwavering dedication.

A Year of Transformation

This year has been one of significant change and growth for Sona Machinery. Our journey from a privately held company to a publicly listed entity has brought new challenges and



opportunities, all of which we have embraced with resilience and determination. This transformation underscores our commitment to long-term growth and value creation for our shareholders.

Financial Highlights

Our financial performance for 2023-24 has been strong, reflecting the robust demand for our products and services across both domestic and international markets. We have achieved substantial revenue growth, driven by strategic investments in technology, innovation, and capacity expansion. These efforts have allowed us to enhance our competitive positioning and deliver consistent value to our stakeholders.

Strategic Progress and Expansion

This year, we have made significant progress with our key plans, especially in broadening our product range and exploring new markets. Our move into the ethanol distillery equipment sector has been very successful, using our extensive knowledge in agro-processing to enter this growing market. We have also continued to improve how we operate and manage costs, which has led to better profitability and steady growth.

Commitment to Sustainability and Governance

At Sona Machinery, we are committed to sustainable growth and responsible corporate governance. We have continued to invest in environmentally friendly technologies and processes, ensuring that our operations align with global sustainability standards. Our governance practices are guided by transparency,



accountability, and a strong ethical framework, which are the cornerstones of our long-term success.

The Road Ahead

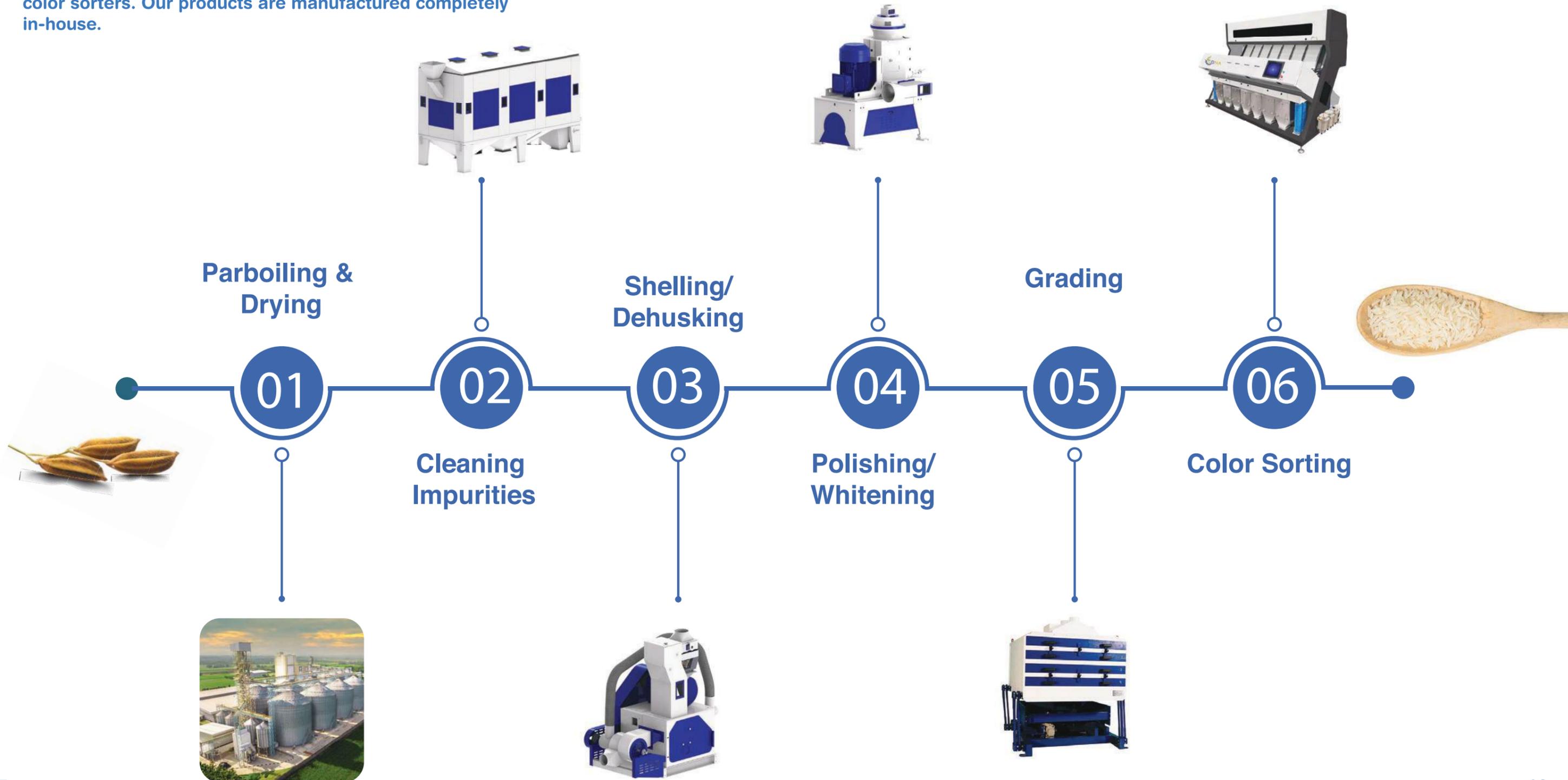
As we look to the future, we remain focused on executing our strategic vision to drive growth, innovation, and shareholder value. The road ahead presents both challenges and opportunities, and I am confident that our dedicated team, robust financial position, and strategic direction will enable us to capitalize on these opportunities and continue delivering strong performance.

In closing, I would like to express my sincere gratitude to our shareholders, customers, partners and employees for their continued trust and support. Together, we will continue to build on our successes and pave the way for a bright and prosperous future for Sona Machinery.

Sincerely
Shweta Baisla

Solutions For Every Step Of The Process

We have the full range of rice mill products needed for you, to produce high quality rice. Right from pre-cleaners to color sorters. Our products are manufactured completely in-house.



NEW LAUNCH

INTELLIGENT
COLOR SORTER
FOR ANY GRAIN



Features of Our Optical Sorter



Camera

- RGB Holographic Camera
- Innovative optical system
- 5400 * 3 pixel CCD sensor
- high-resolution CCD camera



Image Capturing

- Can take images and select Good & Bad grains from touch screen



Software

- Windows Based Software
- Using 100% Legal Software



Ejector

- Less than 1ms high Ejector



Wifi Connectivity

- Machine can be connected with WiFi Connectivity



Touch Screen

- 12 inch integrated touch screen based on Windows OS, providing a superior operating experience.



Cloud Data Management

- All setting files are stored in cloud and can be recovered anytime



Mobile Connectivity

- Mobile can be used control the parameters



Intelligent Sorting

- Innovative intelligent sorting algorithm for better sorting results



Size & Shape Sorting

- The size & Shape sorting of input material is possible



Remote Debugging

- In case any service required the machine can be configured from anywhere in the world



Remotely Software Update

- Latest software can be upgraded remotely

OUR RANGE PRODUCTS

PRE CLEANER

- 5 Way cleaning
- Larger Screen Area
- Long Life Machine
- Easy Servicing



OUR RANGE PRODUCTS

RICE WHITENER

- Provides uniform whiteness on all the grains
- Equipped with a differential type manometer for accurate control of chamber pressure
- Capable of handling Raw, Steamed & Parboiled Rice



STONE SEPARATOR

- Efficient & precise separation
- Adjustable table inclination & air volume of the machine.
- Fitted with imported vibro motors for trouble free, long life.



PADDY HUSKER

- Very High degree of shelling
- Less broken by using pneumatic controls
- Apart from De-hull Paddy, this machine can also be used for Oats, Barley, Sunflower Seeds, etc.



OUR RANGE PRODUCTS

PADDY & RICE SEPERATOR

- Higher Output with adjustable speed
- Special Sensors for Automatic operation
- Advanced electrical panels which automatically controls the start and stop of the machine according to the availability of the raw material



OUR RANGE PRODUCTS

SILKY POLISHER

- Precise Stainless steel sieve that ensures the accuracy of separation
- Additional conditioner is added to this model which provides more moisture to the rice, resulting in better shine, texture & output
- Customized selection of sieves to suit various application



RICE THICKNESS GRADER

- Precise Stainless steel sieve that ensures the accuracy of separation.
- Customized selection of sieves to suit various applications.



LENGTH GRADER

- Length Grader is used to separate the fine rice based on the length of the grain into different quality as per requirement.



Company Information

SHWETA BAISLA
(w.e.f. 01/11/2024)

Chief
Financial Officer

SUPRIYA

Company Secretary
&
Compliance Officer

Registered Office

701, 7th floor
KLJ tower Plot No. B-5,
Netaji Subhash Place,
Maurya Enclave,
North West Delhi,
Delhi, India, 110034

CIN

L29256DL2019PLC345856



sonamachinery.com



finance@
sonamachinery.com

Registrar &
Share Transfer Agent

Maashitla Securities Pvt. Ltd
451, Krishna Apra
Business Square,
Netaji Subhash Place,
Pitampura, Delhi-110034
Contact: 011-45121798/
01145121795/ 01145121796
contact@maashitla.com

Bankers



Statutory Auditors

RK Jagetiya & Co. B-303,
Eklavya CHSL,
N.L. Complex,
Dahisar East,
Mumbai,
Maharashtra - 400068

Secretarial Auditors

M R S & Associates,
Company Secretaries

Practicing Company
Secretary, New Delhi

Listing of
Equity Shares

NSE (SME) Portal

5th Annual
General Meeting

AGM through Video
Conferencing/ Other Audio
Visual Means (VC/OAVM)
Facility [Deemed Venue for
meeting:
Registered Office:
701, 7th Floor, KLJ Tower
Plot No. B-5, Netaji Subhash
Place, Maurya Enclave
Delhi, India - 110034.

Financial Year

1st April - 31st March

Internal Auditor
GK Sureka & Co
Chartered
Accountants

Composition Of Board

- **Vasu Naren**
Chairman and Managing Director
(Executive – Non-Independent)
- **Shweta Baisla**
Promoter & Executive - WTD & CFO
- **Naman Jain**
Non Executive Independent Director
- **Akash Kumar Bansal**
Non Executive Independent Director
- **Preet Kumar**
Non Executive Independent Director

Composition of Audit Committee

- **Naman Jain**
Independent Director
- **Preet Kumar**
Independent Director
- **Shweta Baisla**
WTD & CFO

Composition of Nomination & Remuneration Committee

- **Naman Jain**
Independent Director
- **Preet Kumar**
Independent Director
- **Akash Kumar Bansal**
Independent Director

Stakeholder & Relationship Committee

- **Naman Jain**
Independent Director
- **Preet Kumar**
Independent Director
- **Vasu Naren**
Chairman & Managing Director

ICC Committee

- **Shrija Venugopal**
Presiding Officer
- **Supriya**
Member
- **Rajeev Chauhan**
Member
- **CS Shraddha Garg**
External Member

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Rice Mill Machinery and Ethanol Distillery Manufacturing

Introduction

The rice mill machinery and ethanol distillery manufacturing industries are crucial components of the global food processing and renewable energy sectors. These industries play a vital role in ensuring food security and reducing dependence on fossil fuels. This analysis provides an in-depth overview of the market trends, growth drivers, challenges, and opportunities facing these industries.

Rice Mill Machinery Manufacturing

Global Importance

Rice is a staple food for over half of the world's population, making the rice milling industry vital for global food security. The industry is characterized by a diverse range of players, from small-scale local enterprises to large multinational corporations.

Market Segmentation

The rice milling machinery market is segmented based on Product type (e.g., rice whitening machines, rice polishing machines, rice sorting machines), capacity (e.g., small-scale, large-scale, industrial-scale), and Automation level (e.g., manual, semi-automatic, fully automatic, robotic). The increasing global demand for rice, especially in emerging markets like Africa and Southeast Asia, is a significant growth driver. These regions are witnessing a surge in rice consumption due to population growth and rising incomes, which in turn fuels the demand for more efficient and advanced milling machinery.

Government initiatives to modernize the food processing industry, such as India's Pradhan Mantri Kisan SAMPADA Yojana is a significant Indian government initiative designed to modernize the food processing sector. Launched in 2017, this scheme focuses on enhancing value addition, increasing processing levels, and promoting investments through the establishment of Mega Food Parks, integrated cold chain infrastructure, and agro-processing clusters. It supports the modernization of food processing units, provides financial assistance, and invests in skill development. The initiative aims to reduce food wastage, stimulate economic growth in rural areas, and improve export opportunities by modernizing infrastructure and technology within the industry.

Technological Advancements

The past few years have seen significant technological progress in rice milling machinery. Automation has become a central theme, with the integration of technologies like Artificial Intelligence (AI), Internet of Things (IoT), and machine learning. These technologies help

improve operational efficiency by enabling real-time monitoring, reducing energy use, minimizing waste, and enhancing the final product's quality. For instance, AI-driven sorting machines can now remove defective grains more precisely, resulting in higher-quality rice.

Economic conditions play a crucial role in the rice milling industry. In countries with strong economic growth, such as India and China, rising GDP levels have increased consumer spending on food, including rice. This has led to greater demand for high-quality, processed rice, driving the need for advanced milling machinery. Conversely, in regions where economic growth is slower, demand for such machinery may be more modest, with price sensitivity being a significant factor.

The global rice mill machinery industry is a significant sector due to the importance of rice as a staple food. Advances in technology, such as automation and precision engineering, have greatly enhanced the efficiency, yield, and quality of rice processing. The global market for rice mill machinery was valued at approximately \$7.5 billion in FY 2022-23 and is projected to reach \$8.8 billion in FY 2023-24, reflecting a compound annual growth rate (CAGR) of 8.2%.

Ethanol Distillery Manufacturing

Importance in Renewable Energy

Ethanol distillery manufacturing is vital for the renewable energy sector, particularly in countries aiming to reduce fossil fuel dependence. Ethanol is a clean-burning fuel that can be blended with gasoline to power vehicles.

Market Growth and Policy Support

The Indian government's ambitious target of achieving 20% ethanol blending by 2025 has spurred significant demand for distillery infrastructure. This policy-driven growth has attracted substantial investments, making India one of the fastest-growing markets for ethanol distillery equipment. The National Biofuel Policy and Ethanol Blending Program (EBP) provide a supportive regulatory framework, with fiscal incentives that encourage the expansion of ethanol production capacity.

Technological Innovations

Technological advancements are critical in the ethanol distillery industry. Innovations aimed at improving production efficiency, reducing water usage, and minimizing waste are becoming more prevalent. For example, new processes that utilize by-products like bagasse for energy generation are helping to make ethanol production more sustainable and cost-effective.

Economic Factors

Economic factors significantly influence the ethanol distillery sector. In countries experiencing rapid economic growth, such as India, rising GDP levels support increased energy consumption, including demand for ethanol as a fuel. India's GDP growth, which has averaged around 6-7% in recent years,

has enabled the government to invest in renewable energy initiatives, including ethanol production.

The ethanol distillery sector is experiencing robust growth, driven by government policies promoting renewable energy. The global ethanol market, valued at around \$100 billion in FY 2022-23, is expected to grow to \$115 billion in FY 2023-24, marking a CAGR of 7.5%. This growth is fueled by regulatory frameworks, including the Renewable Fuel Standard (RFS) in the U.S. and the European Union's Renewable Energy Directive (RED II), which support increased ethanol blending.

Conclusion

The rice mill machinery and ethanol distillery manufacturing industries are poised for growth, driven by technological advancements, government support, and increasing global demand. However, they must navigate challenges like economic fluctuations, climate risks, and competitive pressures. Companies that innovate and adapt to these trends will be well-positioned to capitalize on opportunities in these evolving sectors.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

S.no.	Particulars	Area	Analysis
1.	Growing Demand	Global Population Growth	Trend Analysis: According to the UN, the global population is projected to reach 9.7 billion by 2050. This growth will increase demand for staple foods, including rice.
			Market Expansion: Companies can expand into emerging markets with high population growth rates, such as Southeast Asia and Sub-Saharan Africa, to capitalize on rising demand.

S.no.	Particulars	Area	Analysis
		Increased Rice Consumption	<p>Consumer Trends: Rising incomes in developing economies lead to higher consumption of rice and processed food products. Market research indicates that the consumption of premium and fortified rice varieties is increasing.</p> <p>Product Diversification: Companies can diversify product offerings to include value-added rice products, such as pre-cooked or fortified rice, to meet changing consumer preferences</p>
		Government Push for Ethanol:	<p>Policy Impact: The Indian government's target to blend 20% ethanol with gasoline by 2025 creates substantial growth opportunities for ethanol distilleries..</p> <p>Partnerships: Collaborating with government agencies and participating in public-private partnerships can provide additional funding and resources.</p>

S.no.	Particulars	Area	Analysis
2.	Government Support	Food Processing Initiatives	<p>Investment Programs: Various countries have launched programs to modernize food processing infrastructure. For instance, the Indian government's Pradhan Mantri Krishi Sinchai Yojana aims to improve irrigation efficiency.</p> <p>Subsidies and Grants: Utilize government subsidies and grants for upgrading machinery and expanding production capabilities. Ensure to stay updated on eligibility criteria and application processes.</p>
		Renewable Energy Policies:	<p>Incentives for Biofuels: Look for tax credits, production subsidies, and research grants for biofuel technologies.</p> <p>Technology Adoption: Adopt advanced technologies in ethanol production, such as cellulosic ethanol or algae-based biofuels, to benefit from specific incentives.</p>

S.no.	Particulars	Area	Analysis
3.	Technological Advancements	Automation and Efficiency	<p>Smart Systems: Integrate smart sensors and machine learning algorithms to monitor and optimize rice milling processes in real-time.</p> <p>Maintenance: Use predictive maintenance techniques to reduce downtime and extend equipment lifespan.</p>
		Renewable Energy Innovations	<p>Next-Generation Biofuels: Explore advancements in biofuel production, such as the use of waste materials and agricultural residues to produce ethanol.</p> <p>Carbon Capture: Invest in carbon capture and storage (CCS) technologies to meet environmental regulations and improve sustainability.</p>

THREATS

S.no.	Particulars	Area	Analysis
1.	Climate and Raw Material Risks	Unpredictable Weather Patterns	Risk Mitigation: Develop contingency plans for weather-related disruptions, such as diversifying sources of raw materials and investing in resilient supply chains.

S.no.	Particulars	Area	Analysis
		Raw Material Volatility	<p>Hedging Strategies: Implement financial hedging strategies to manage price volatility in raw materials. Contracts with fixed pricing can stabilize costs.</p> <p>Supply Chain Diversification: Source raw materials from multiple suppliers and regions to reduce dependence on any single source.</p>
2.	Competition and Technological Risks	Low-Cost Competitors	<p>Differentiation: Differentiate products through superior quality, advanced features, or after-sales services. Emphasize the long-term cost benefits of higher-quality machinery.</p> <p>Cost Management: Improve operational efficiency to lower production costs and remain competitive against low-cost manufacturers.</p>
		Technological Changes	<p>Continuous Innovation: Invest in continuous research and development to keep pace with technological advancements. Attend industry conferences and collaborate with research institutions.</p> <p>Regulatory Compliance: Monitor changes in regulations and standards. Engage with industry groups to influence policy and stay ahead of compliance requirements.</p>

S.no.	Particulars	Area	Analysis
		Regulatory Challenges	<p>Compliance Strategies: Develop robust compliance strategies to adapt to changing regulations. Maintain a dedicated team for regulatory affairs and legal compliance.</p> <p>Advocacy: Participate in industry associations and advocacy groups to influence policy and ensure that regulatory changes are favorable to your business.</p>
3.	Economic Factors	Economic Downturns	<p>Flexible Pricing: Implement flexible pricing strategies to adjust to changes in consumer spending and maintain competitiveness.</p> <p>Cost Efficiency: Focus on improving operational efficiency and reducing costs to weather economic downturns.</p>
		Exchange Rate Fluctuations:	<p>Currency Hedging: Use currency hedging instruments to manage exchange rate risk and protect profit margins.</p> <p>Local Production: Consider establishing local manufacturing or assembly facilities in key markets to mitigate the impact of currency fluctuations on costs.</p>

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Rice Mill Machinery Manufacturing:

The company has experienced strong growth in its rice mill machinery business, thanks to increased demand for more efficient and larger milling systems. New product offerings, which include features that enhance automation and connectivity, have been well-received by customers, leading to a 17.70% increase in revenue compared to last year. By focusing on innovation and quality, the company has secured important contracts with major rice producers, both in India and abroad.

The most notable growth has been in larger milling systems, with a 17.70 % increase in sales, driven by the needs of bigger rice processing operations.

Ethanol Distillery Manufacturing:

The ethanol distillery manufacturing segment has been the star performer, comprises with 40% order volumes of the total order volume. This growth has been largely driven by the government's ethanol blending mandate, which has led to a surge in demand for new distillery plants and the expansion of existing ones. The company's expertise in providing turnkey solutions, including the design, engineering, and construction of distillery plants, has positioned it as a market leader in this segment.

The company has successfully executed the ethanol project for Balrampur Chini Mill and is currently working on several prominent projects, including those for Olam and Radico Khaitan.

OUTLOOK

The outlook for the company's rice mill machinery and ethanol distillery manufacturing businesses is highly positive, supported by favorable industry dynamics and strong market demand. The company plans to continue investing in R&D to develop innovative products that meet the evolving needs of its customers. In the rice mill machinery segment, the focus will be on expanding the product portfolio to include more energy-efficient and environmentally-friendly solutions. For the ethanol distillery segment, the company intends to capitalize on the growing demand by increasing its production capacity and exploring new markets.

RISKS AND CONCERNS

RICE MILLING

S.no.	Particulars	Area	Risk	Analysis
1.	Operational Risks	Equipment Downtime	Unexpected machinery breakdowns or maintenance issues can lead to production downtime and reduced efficiency.	<p>Maintenance Scheduling: Implement a regular maintenance schedule to minimize unexpected breakdowns.</p> <p>Predictive Maintenance: Utilize predictive maintenance technologies to anticipate and address potential issues before they cause downtime.</p>
		Skill Shortages	A shortage of skilled technicians and engineers can affect machinery installation, maintenance, and repair.	<p>Training Programs: Develop and offer training programs for current employees and potential hires.</p> <p>Partnerships with Educational Institutions: Collaborate with technical schools and universities to create a pipeline of skilled workers.</p>
2.	Financial Risks	Capital Investment Challenges	High capital requirements for upgrading or purchasing new machinery can strain financial resources.	<p>Financing Options: Explore various financing options such as leasing, loans, or investment partnerships.</p> <p>Financial Planning: Develop detailed financial plans and models to assess the impact of capital investments on cash flow and profitability.</p>

S.no.	Particulars	Area	Risk	Analysis
		Currency Fluctuations	Fluctuations in currency exchange rates can impact the cost of imported components and machinery.	<p>Hedging Strategies: Use financial hedging tools to manage currency risk.</p> <p>Local Sourcing: Whenever possible, source components locally to reduce exposure to currency fluctuations.</p>
3.	Market Dynamics	Competitive Pressure	Increased competition from both local and international manufacturers can affect market share and pricing strategies.	<p>Competitive Analysis: Conduct regular competitive analysis to understand market positioning and adjust strategies accordingly.</p> <p>Brand Differentiation: Focus on differentiating your products through innovation, quality, and customer service.</p>
		Customer Loyalty	Difficulty in retaining customers due to better offers from competitors.	<p>Customer Relationship Management: Implement a robust CRM system to build and maintain strong customer relationships.</p> <p>Value-Added Services: Offer additional services such as extended warranties, training, and support to enhance customer loyalty.</p>

ETHANOL DISTILLIARY

S.no.	Particulars	Area	Risk	Analysis
4.	Environmental Risks	Regulatory Compliance Costs	Costs associated with meeting environmental regulations and sustainability requirements.	<p>Sustainability Initiatives: Invest in sustainable technologies and practices to reduce compliance costs and improve environmental impact.</p> <p>Regulatory Advisory: Engage with environmental consultants to ensure compliance and manage regulatory requirements effectively.</p>
		Waste Management	Inefficient waste management can lead to increased disposal costs and regulatory issues.	<p>Waste Reduction Programs: Implement waste reduction and recycling programs to minimize waste and associated costs.</p> <p>Efficient Processes: Optimize production processes to reduce waste and improve resource efficiency.</p>

S.no.	Particulars	Area	Risk	Analysis
3.	Operational Risks	Process Efficiency	Inefficiencies in production processes can lead to higher costs and lower output.	<p>Process Optimization: Continuously monitor and optimize production processes to enhance efficiency.</p> <p>Lean Manufacturing: Implement lean manufacturing principles to reduce waste and improve process efficiency.</p>
		Safety and Compliance	Safety incidents or non-compliance with health and safety regulations can lead to legal issues and operational disruptions.	<p>Safety Training: Conduct regular safety training and drills for employees.</p> <p>Compliance Audits: Perform regular audits to ensure adherence to health and safety regulations.</p>
	Financial Risks	Revenue Volatility	Fluctuations in ethanol prices and demand can impact revenue stability.	<p>Diversified Revenue Streams: Explore additional revenue streams such as by-products or alternative markets.</p> <p>Financial Hedging: Use financial instruments to hedge against price volatility in the ethanol market.</p>

S.no.	Particulars	Area	Risk	Analysis
		Investment Risks	High costs of investment in new technology or expansion projects may not yield the expected returns.	<p>Feasibility Studies: Conduct thorough feasibility studies and financial projections before making significant investments.</p> <p>Incremental Investments: Consider phased investments to mitigate financial risk and evaluate returns incrementally.</p>
2	Market Dynamics	Demand Fluctuations	Changes in market demand for ethanol due to shifts in fuel policies or consumer preferences.	<p>Market Monitoring: Regularly monitor market trends and adjust production strategies accordingly.</p> <p>Product Flexibility: Develop flexible production capabilities to switch between different products based on market demand.</p>
		Technological Advancements	Rapid advancements in production technologies may render existing systems obsolete	<p>Technology Upgrades: Regularly upgrade technology to stay competitive and efficient.</p> <p>Innovation Focus: Maintain a strong focus on innovation and integrate new technologies that enhance production capabilities.</p>

S.no.	Particulars	Area	Risk	Analysis
3.	Environmental Risks	Regulatory Changes	New or changing environmental regulations may impose additional costs or operational adjustments.	<p>Regulatory Forecasting: Stay informed about potential regulatory changes and prepare to adapt operations accordingly.</p> <p>Environmental Management: Implement robust environmental management systems to ensure compliance and reduce the risk of violations.</p>
		Sustainability Concerns	Increasing pressure from stakeholders for sustainable practices and reduction of carbon footprint.	<p>Sustainable Practices: Adopt sustainable production practices and seek certifications to demonstrate environmental responsibility.</p> <p>Stakeholder Engagement: Engage with stakeholders to understand their sustainability expectations and incorporate them into business practices.</p>

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has implemented a comprehensive internal control system designed to ensure the accuracy of financial reporting, compliance with regulatory requirements, and the safeguarding of assets. These systems are regularly reviewed and updated to align with the latest industry standards and best practices. The internal audit team conducts periodic reviews to assess the effectiveness of these controls and recommends improvements where necessary. The company is also leveraging digital technologies to enhance the efficiency and reliability of its internal controls, particularly in areas such as inventory management, procurement, and financial reporting.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has delivered strong financial performance in the fiscal year 2023-24, with significant growth in both revenue and profitability. The growth in revenue was primarily driven by increased sales in the rice mill machinery and ethanol distillery segments. The company's focus on operational efficiency, cost control, and customer satisfaction has resulted in improved margins across both business segments.

Key Financial Highlights:

During the financial year under review, your company is showing growth as follows:

Net Sales

9529.71 Lakhs,
showing the growth of

17.70%

Total Income:

9568.27 Lakhs,
showing the growth of

17.94%

PBT:

1407.50 Lakhs,
showing growth of

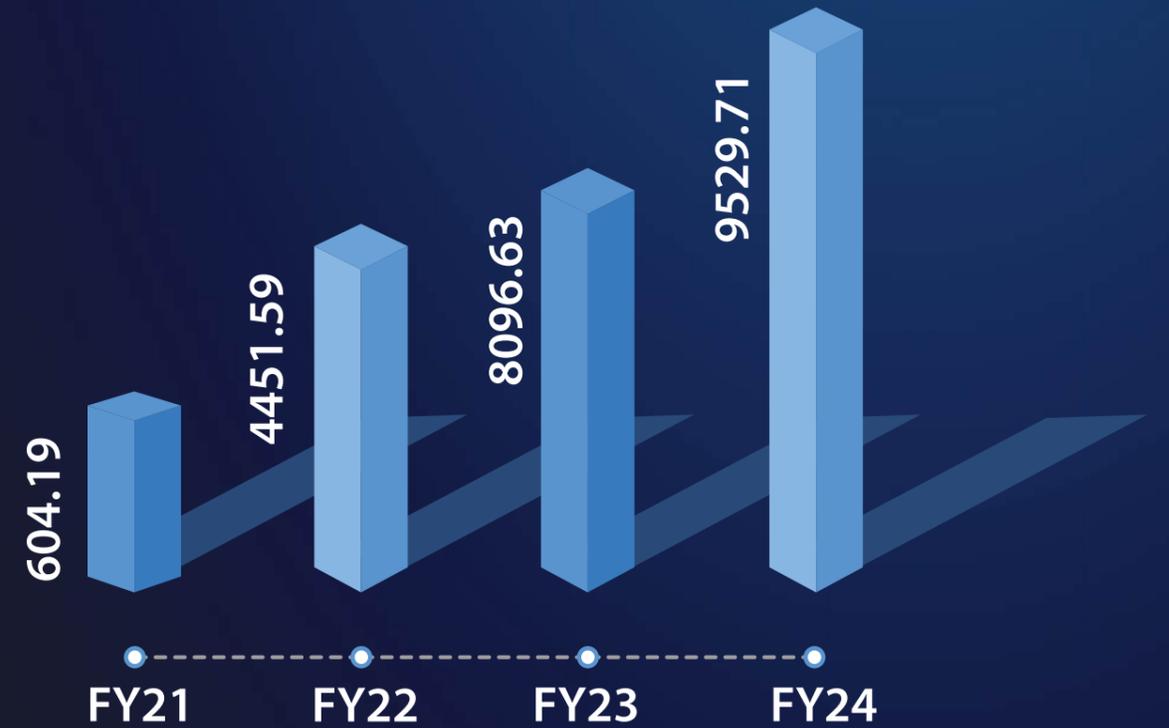
33.70%

PAT:

1406.76 Lakhs,
showing growth of

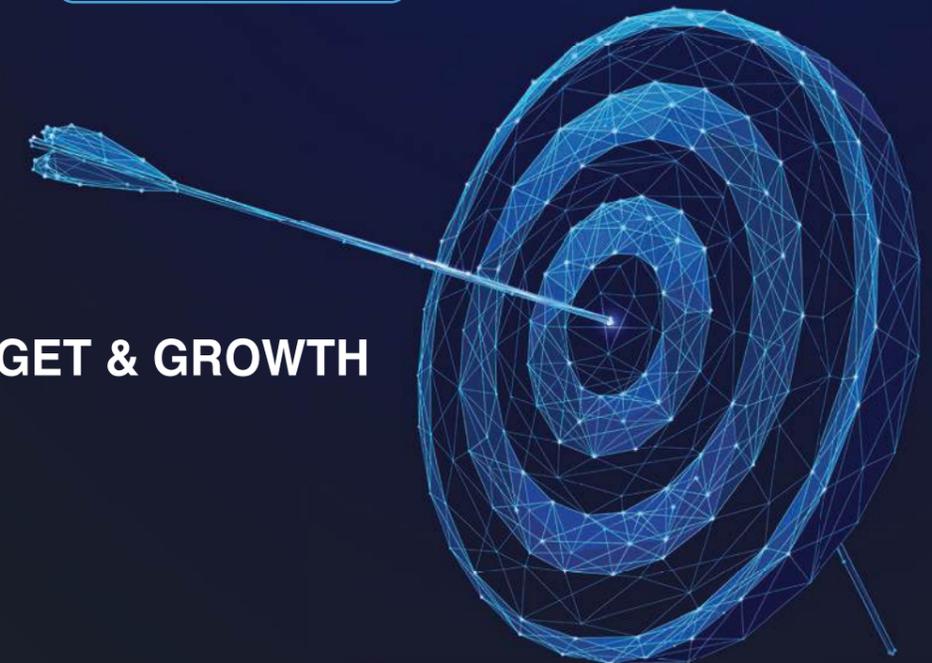
36.32%

KEY FINANCIAL HIGHLIGHTS



Net Sales (₹) Lakhs

TARGET & GROWTH



Significant Changes in Key Financial Ratios

S.no.	Ratio	31-Mar-24	31-Mar-23	Variance	Reason for Variance above 25%
1.	Current Ratio (No. of Times)	3.88	1.28	203.82%	Mainly due to IPO Proceeds lying in ESCROW Account as on 31.03.2024
2.	Debt Equity Ratio (No. of Times)	0.01	0.22	-93.40%	Reduction in Debt and increase in Equity
3.	Debt Service Coverage Ratio (No of Times)	18.47	4.35	324.22%	Due to increase in Profit during the FY 2023-24
4.	Return On Equity Ratio (%)	27.28%	102.78%	-73.46%	Due to Increase in Net worth, however no such substantial increase NP after tax in this year
5.	Inventory Turnover Ratio (In Days)	59	26	129.78%	Holding level of inventory not in proportion to increase in sales
6.	Trade Receivable Turnover Ratio (In Days)	30	23	27.15%	Improvement in Credit period of Customer vis-à-vis sales achieved
7.	Trade Payable Turnover Ratio (In Days)	61	49	24.68%	Not Applicable
8.	Net Capital Turnover Ratio (No Of Times)	3.13	28.49	-89.00%	Reduced rotation of Average working capital as compared to previous years.
9.	Net Profit Ratio (%)	10.98%	9.48%	15.82%	
10.	Return On Capital Employed (%)	21.48%	79.09%	-72.84%	Due to Increase in Net worth and comparatively less increase in profit

Significant Changes in Key Financial Ratios

S.no.	Ratio	31-Mar-24	31-Mar-23	Variance	Reason for Variance above 25%
11.	Return On Investment/Total Assets (%)	6.86%	0.00%	NA	

Significant growth in the Geographical presence

Top Performing Regions

The data provides a comprehensive overview of sales performance across various regions in India for the financial years FY23 and FY24. A detailed analysis of the data reveals significant variations in sales performance, with some regions experiencing substantial growth while others face declining sales.

The company has marked its presence in pan india during the financial year 2024 in comparison to the company's presence in during the financial year 2023. Below is the detailed data for the same:

Uttar Pradesh: Emerged as the leading region in both FY23 and FY24, with a significant increase in sales from 22.20% to 29.02%. This indicates a strong demand for products in this region, making it an attractive market for businesses.

Chhattisgarh: Maintained its second position, with a slight decrease in market share from 16.00% to 15.11%. This region continues to be a key market, with a large customer base.

Bihar: Showed impressive growth, jumping from 6.30% to 9.24% market share. This indicates a growing demand for products in this region, making it an emerging market.

New Entrants and Minuscule Contributors

We first time stepped into **Jammu and Kashmir, Jharkhand, and Rajasthan**. These regions remain small markets, but may still offer opportunities for businesses. Chandigarh, Delhi, and Uttarakhand showed minimal changes in their market share. These regions remain small but significant markets.

Total Sales

Total sales increased from 6,968.40 in FY23 to 9,415.50 in FY24, representing a growth of 35.20%. This indicates a significant increase in demand across regions. This detailed analysis provides valuable insights into regional sales performance, helping businesses optimize their strategies and capitalize on emerging opportunities.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The company acknowledges the pivotal role its employees play in driving success and is dedicated to cultivating a supportive and inclusive work environment. In the fiscal year 2023-24, the company has undertaken several key initiatives to enhance its human resources and industrial relations:

Talent Acquisition: The company has embarked on a strategic recruitment drive to attract fresh talent, bolstering its workforce to support expanding operations. This influx of new skills and perspectives is poised to energize the organization and drive innovation.

Employee Training and Development:

Recognizing the importance of continuous learning, the company has invested in comprehensive training programs aimed at upgrading employees' skill sets and expertise. These initiatives encompass:

- a) Technical skills training to enhance operational efficiency.
- b) Soft skills development to foster effective communication and collaboration.
- c) Leadership development programs to nurture future leaders.
- d) Digital literacy training to ensure employees are adept in leveraging technology.

Culture of Continuous Learning:

The company is committed to creating a culture that encourages continuous learning, innovation, and growth. This includes:

- a) Mentorship programs pairing experienced professionals with new hires.
- b) Cross-functional training to promote understanding and collaboration across departments.
- c) Regular feedback and coaching to support employee development.

Employee Engagement and Well-being:

The company prioritizes employee satisfaction and well-being, offering initiatives such as:

- a) Employee recognition and reward programs
- b) Wellness programs and mental health support
- c) Flexible work arrangements and work-life balance initiative

Industrial Relations:

The company maintains a positive and collaborative relationship with its employees, ensuring open communication channels and constructive dialogue. This includes:

- a) Regular town hall meetings and feedback sessions
- b) Employee suggestion schemes to encourage innovation and improvement

Fair and transparent HR practices

By focusing on these key areas, the company aims to create a vibrant, inclusive, and

supportive work environment that attracts, retains, and develops top talent, driving business success and growth.

10. Return on Net Worth (RoNW)

The Return on Net Worth (RoNW) increased by compared to the previous financial year, driven by enhanced profitability and efficient capital allocation. The company's focus on high-return investments and strategic use of retained earnings has resulted in a significant improvement in RoNW. The company plans to continue optimizing its capital structure to maximize shareholder value.

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting (“AGM/ 5th AGM”) of the Members SONA MACHINERY LIMITED (“the Company”) will be held on Thursday the 26th day of September, 2024 at 02:00 P.M. Indian Standard Time (“IST”), through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2024 including the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement along with notes to accounts for the year ended as at 31st March 2024 and the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Director in the place of retiring Director

To appoint a director in place of Mr. Vasu Naren, who retires by rotation and being eligible offers himself for re-appointment.

“RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Vasu Naren, who is liable to retire by rotation and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to recommendation of Audit Committee and Board of Directors of the Company, M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No-018701N) Delhi, be and are hereby appointed as the Statutory Auditors of the Company, in lieu of retiring Statutory Auditors, M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai, who are not seeking their reappointment at the forthcoming Annual General Meeting for another term due to their internal reasons, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No- 018701N) Delhi from time to time, who shall hold office for a term of five consecutive years from the conclusion of Fifth Annual General Meeting till the conclusion of the Tenth Annual General Meeting of the Company to be held in the year 2029.”

**By Order of the Board
For Sona Machinery Limited**

Date : 31/08/2024
Place : New Delhi

Shweta Baisla
Whole time Director & CFO
DIN 09652443

IMPORTANT NOTES:

1. The 5th Annual General Meeting of the Company will be held on Thursday, 26th day of September, 2024, at 02:00 P.M. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) in compliance with the applicable provisions.

2. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos.14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No.20/2020 dated 5th May, 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 8th December, 2021, Circular No.21/2021 dated 14th December, 2021, Circular No.02/2022 dated 5th May, 2022, Circular No. 10/2022 dated 28th December, 2022 and circular No. 09/2023 dated 25th September, 2023 (“MCA Circulars”) has permitted to conduct the Annual General Meeting through video conferencing (“VC”) or other audiovisual means (“OAVM”) upto 30th September, 2024. In compliance with the aforesaid MCA Circulars, the 5th Annual General Meeting (“5th AGM” or “Meeting”) of the Members of the Company will be held through VC/OAVM, without the physical presence of the Members. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/ CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated 7th October, 2023 issued by Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice of the AGM along with the Annual Report for F.Y. 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorized Representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Body Corporates whose Authorized Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on its email Id Cs@sonamachinery.com, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through E-voting.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. An explanatory statement setting out details relating to the businesses to be transacted at the Annual General Meeting pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

8. As the Annual General Meeting of the Company is held through VC / OAVM, we therefore request the members to submit questions in advance relating to the business specified in this notice of AGM on the email ID Cs@sonamachinery.com at least 10 days in advance but not later than Monday, 16th September, 2024.

9. The Annual Report along with the Notice of AGM will be placed on the Company's website on www.sonamachinery.com.

10. Members of the Company holding shares either in physical form or in de-materialized forms as on BENPOS date i.e., Friday, 30th August, 2024 will receive Annual Report for the financial year 2023-24 through electronic mode. As per the MCA Circular 20/2020 dated 5th May, 2020, the Annual Report will be sent through electronic mode to only those Members whose email id's are registered with the Registrar and Share Transfer Agent of the Company / Depository participant.

11. The Board of Directors have appointed Mr. Mohit of M/s M R S & Associates, Practicing Company Secretary (Membership No.: F12708), as the Scrutinizer to scrutinize the remote e-voting process as well as e-voting during the AGM in a fair and transparent manner.

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as evoting at the time of AGM will be provided by NSDL.

13. Pursuant to the provisions of Section 91 of the Act and regulation 42 of the Listing Regulation, the Register of Members and Share Transfer Books of the Company will remain closed from Friday 20/09/2024 to Thursday 26/09/2024 (both days inclusive) for the purpose of 5th AGM.

14. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sonamachinery.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

15. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular as mentioned above in the notes.

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

The remote e-voting period begins on Monday, 23 September, 2024 at 09:00 A.M. and ends on Wednesday, 25 September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 19/09/2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19/09/2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>1.Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="578 1753 964 1984" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1.Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing Myeasi username & password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

How to Log-in to NSDL e-Voting website?

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- c) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

e) Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

f) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Now, you will have to click on “Login” button.
- i) After you click on the “Login” button, Home page of e-Voting will open.

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

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

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.

- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mohit@mrsassociates.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@sonamachinery.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@sonamachinery.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@sonamachinery.com. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from 23/09/2024 to 24/09/2024 (up till 05:00 p.m. IST) from their registered e-mail Id's mentioning their name, DP ID and client Id / folio number, PAN, mobile number on cs@sonamachinery.com as registered in the records of the Company. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

EXPLANATORY STATEMENT

ITEM NO. 2

The Members of the Company at the 4th Annual General Meeting held on 30th September, 2023 had approved the appointment of M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai, as the Statutory Auditors of the Company for a period of 1 financial year from the conclusion of the 4th AGM till the conclusion of the 5th AGM. M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), will complete their present term on conclusion of this Annual General Meeting in terms of the said approval and as per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai, have expressed their intent to not seek re-appointment as Statutory Auditors of the Company on conclusion of the present term as addressed to the Audit Committee and to the Board of Directors of the Company. The Audit Committee and the Board of Directors at their meeting held on 26/06/2024 took note that M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai are not seeking re-appointment as Statutory Auditors at the forthcoming AGM purely on account of their internal reasons and it has nothing to do with the Company in any manner whatsoever, and acceded to their request to retire at the conclusion of the forthcoming AGM of the Company.

The Board of Directors of the Company have, at their meeting held on 31/08/2024, on the basis of the recommendations of the Audit Committee, have appointed M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No- 018701N) Delhi as the Statutory Auditors of the Company for a period of five consecutive financial years from the conclusion of

the 5th AGM till the conclusion of the 10th AGM on a remuneration and, terms and conditions as may be approved by the Board.

M/s. Sanjay V Gupta & Associates, Chartered Accountants is primarily engaged in providing a wide range of professional services and which includes but not limited to audit and assurance services in accordance with the auditing standards generally accepted in India and with the requirements of the Act and Securities Exchange Board of India Act, 1992, certain tax and financial accounting advisory services to its clients. They audit several listed and private companies across diverse market segments including Industrial, Manufacturing, Infrastructure, Professional services.

The fees proposed to be paid to the Statutory Auditor will be decided by the Board of Directors every year during their tenure of five years. The remuneration proposed is not materially higher than that paid to the outgoing auditor. The Audit Committee while recommending the appointment of M/s. Sanjay V Gupta & Associates, Chartered Accountants to the Board also considered various parameters like relevant audit experience, market standing of the firm, clientele served, technical knowledge etc., and found M/s. Sanjay V Gupta & Associates, Chartered Accountants to be adequately suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s. Sanjay V Gupta & Associates, Chartered Accountants have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Accordingly, the Board of Directors recommends the Ordinary Resolution in relation to appointment of M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No-018701N) Delhi as the Statutory Auditors to hold the office from the conclusion of this 5th Annual General Meeting of the Company till the conclusion of the 10th Annual General Meeting of the Company and to fix their remuneration as set out Item No. 3 of the Notice for approval of the Members.

**By Order of the Board
For Sona Machinery Limited**

Shweta Baisla
Whole time Director & CFO
DIN 09652443

Dated : 31/08/2024
Place : New Delhi

DIRECTOR'S REPORT

Dear Shareholders,

The Directors of your Company take pleasure in presenting their 05th Annual Report on the operations of the Company and the Audited Financial Accounts of the Company for the year ended 31st March, 2024.

FINANCIAL SUMMARY OR PERFORMANCE OF THE COMPANY:

(RUPEES IN LAKHS)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Revenue from Operations	9529.71	8096.63
Other Income	38.56	15.91
Total Income	9568.27	8112.54
Cost of Material consumed	5478.12	5126.18
Purchases of Stock-in-Trade	359.56	
Change in Inventory of Finished Goods	-463.42	-63.06
Employee Benefit Expenses	1329.36	941.00
Finance Cost	14.10	51.43
Depreciation & Amortization Expenses	120.47	88.55
Other Expenses	1327.20	909.87
Total Expenses	8165.38	7053.95
Current tax	373.42	287.58
(Short)/Excess provision for earlier years	-1.63	7.16
Deferred Tax	-11.04	-9.76
Profit/(Loss) after Tax	1046.76	767.85
Earnings per share (₹)		
Basic	10.15	7.60
Diluted	10.15	7.60

OPERATIONS

The Company has reported total income of Rs. 9568.27/- (figure in Lakhs) for the current financial year as compared to Rs. 8112.54/- (figure in Lakhs) in the previous financial year. The Net Profit / (Loss) for the year under review amounted to Rs 1046.76/- (figure in Lakhs) in the current year as compared to Loss of Rs. 767.85/- (figure in Lakhs) in the previous year.

WEBSITE

www.sonamachinery.com is the website of the Company. All the requisite details, policy are placed on the website of the company.

TRANSFER TO RESERVES

During the financial year, the company has proposed to be transfer Rs. 1046.76 /- (figure in Lakhs) to the Reserves.

DIVIDEND

Due to Conservation of Resources, the Company have not recommended any dividend for year ended March 31, 2024.

CHANGE IF ANY IN THE NATURE OF BUSINESS

There had been no change in the nature of business of your Company during the period under review.

MATERIAL CHANGES AND COMMITMENT IF ANY 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 THE REPORT

During the financial year under review,

1. The Company increased its Authorised share capital from Rs. 10,00,000 (Rupees Ten Lakhs Only) divided into 1,00,000 equity shares of Rs. 10 each, to Rs. 15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity shares of Rs. 10 Each. on 11/09/2023
2. The Company issue Bonus Equity share of Rs. 10,00,00,000 divided into 1,00,00,000 fully paid of Rs. 10/- each in the proportion of 100:1 i.e. 100 (One Hundred) new equity shares of Rs. 10/- each for every 1 (One) existing equity share of Rs. 10/- on 13/09/2023.
3. The Company converted from a private limited company to a public company limited w.e.f., 17/10/2024.
4. The company came up with Initial Public Offer of 36,24,000 Equity shares of Rs. 10 each with the premium of Rs. 133 each, which got subscribed by 254 times and the company successfully got listed on NSE (SME) Portal on 13/03/2024.

Other than those mentioned above, there were no other material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on 31st March, 2024 shall be placed on our website <https://www.sonamachinery.com/> in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

SUBSIDIARY/ASSOCIATE/JOINT - VENTURE COMPANY

The Company does not have any joint – venture, Subsidiary and Associate Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2023-24, the Company entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder.

The details of the related party transactions are set out in the Notes forming part of Financial Statement of the Company.

The Form AOC -2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure -1 to this report.

DETAILS OF DEPOSIT AS PROVIDED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the standalone financial statements. (Please refer to Notes to the standalone financial statements).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

CHANGES IN REGISTERED OFFICE OF THE COMPANY

During the year under review, the Registered Office of the Company has been shifted within the local limit of city from 228 3rd Floor State Bank Nagar, Paschim Vihar-1, West Delhi, Delhi, India 110063 to 701 7th floor KLJ tower Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi, India, 110034 with effect from 07/11/2023

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

During the financial year under review, there were following changes in the directorship/KMP of the company.

On 13th September 2023, Ms. Supriya was appointed as the Company Secretary of the company. This appointment brought a fresh addition to the key management team, the same was for taking on the responsibility of ensuring compliance with statutory and regulatory requirements.

On 1st November 2023, Mrs. Shweta Baisla was appointed as the Chief Financial Officer (CFO). Her appointment as CFO positioned her as a vital member of the financial leadership team, responsible for overseeing the financial operations of the Company. On the same day, Ms. Supriya assumed an additional role as Compliance Officer, adding to her duties as Company Secretary. This dual responsibility highlights Supriya's growing involvement in the company's compliance and governance matters.

On 6th November 2023, Mr. Vasu Naren (DIN: 06915821), who was appointed as the director (Executive) was redesignated and appointed for the role of Chairman and Managing Director of the Company.

On the same day, 6th November 2023, Mrs. Shweta Baisla, holding DIN 09652443, was appointed as a Whole-Time Director (WTD), in addition to her role as CFO of the Company.

Also, on 6th November 2023, the board welcomed two new Independent Directors. Mr. Naman Jain (DIN 08359842), was appointed as an Independent Director, Non-executive, bringing in external oversight and expertise. Alongside him, Mr. Preet Kumar (DIN 10371737), was also appointed as an Independent Director. Their appointments enhance the board's independence and governance, providing diverse perspectives to the company's leadership.

Looking ahead, on 20th January 2024, Mr. Narender Kumar, who has served as Director, resigned from his position. Mr. Narender Kumar (DIN 02567312), has been an integral part of the company's board, and his resignation will mark the end of his tenure.

On the same date, 20th January 2024, Mr. Akash Kumar Basal (DIN 10469091), joined the board as an Independent Director. His appointment is expected to bring new insights and strengthen the independent oversight within the company.

Below is a chronological summary of the recent changes in the company's leadership and key management positions, presented in a tabular format for clarity:

Sr. No	Name of Directors/ KMP	Designation	DIN	Date of Appointment/ Resignation	Appointment/ Resignation/ Change in Designation
1.	Supriya	Company Secretary	--	13/09/2023	Appointment
2.	Shweta Baisla	CFO	--	01/11/2023	Appointment
3.	Supriya	Compliance officer	--	01/11/2023	Appointment
4.	Vasu Naren	Chairman & MD	06915821	06/11/2023	Change in Designation
5.	Shweta Baisla	WTD	09652443	06/11/2023	Change in Director
6.	Naman Jain	Independent Director	08359842	06/11/2023	Appointment
7.	Preet Kumar	Independent Director	10371737	06/11/2023	Appointment
8.	Narender Kumar	Director	02567312	20/01/2024	Resignation
9.	Akash Kumar Bansal	Independent Director	10469091	20/01/2024	Appointment

All the Independent Directors of your Company have submitted their declaration confirming that they meet the criteria of 'Independence' as prescribed under the Act and the Listing Regulations and are not disqualified from continuing as Independent Directors. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. The Independent Directors of the Company have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014. The Nomination and Remuneration Committee had adopted principles for identification of Key Managerial Personnel, Senior Management including the executive directors. The policy of the Company on appointment and remuneration includes criteria for determining qualifications, positive attributes and independence of a director. The same is also available on the website of the Company at www.sonamachinery.com.

The details of familiarization programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and related matters are available on the website of the Company at www.sonamachinery.com.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditor and Report

M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No- 018701N) Delhi, has resigned on 05.09.2023 from the post of Statutory Auditors of the Company resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013. Casual vacancy caused by the resignation of auditors shall be filled by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company. Whereas, the audit of accounts of the Company for the FY 2022-23, has been already done by M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No- 018701N), the Board of Directors of the Company recommended at its meeting held on 6th September, 2023 the name of M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai to be appointed as Statutory Auditors of the company to fill the casual vacancy from the conclusion of this Annual General meeting until the Conclusion of the next Annual General Meeting to be held in year 2024.

M/s R K Jagetiya & Co., Chartered Accountants, (Firm Registration No. 146264W), Mumbai have conveyed their consent to be appointed as the Statutory Auditors of the Company for financial year 2023-24 along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

There are no adverse qualifications in the report of the Auditor under review. The observation made in the Auditors' Report read with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013

The Audit Committee and the Board of Directors at their meeting held on 31/08/2024 took note that M/s R K Jagetiya & Co., Chartered Accountants, are not seeking re-appointment as Statutory Auditors at forthcoming AGM purely on account of their internal reasons and that it has nothing to do with the Company in any manner whatsoever, and accepted their request to retire at the conclusion of the forthcoming AGM of the Company.

The Board of Directors of the Company at its meeting held on 31/08/2024, on the basis of the recommendations of the Audit Committee, recommended for the approval of the Members, the appointment of M/s. Sanjay V Gupta & Associates, Chartered Accountants (Firm Registration No- 018701N) Delhi, as the Statutory Auditors of the Company, for a period of 5 (five) consecutive financial years from the conclusion of this AGM till the conclusion of the 10TH AGM on remuneration, terms and conditions as may approved by the Board.

The proposal for appointment of M/s. Sanjay V Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company is listed as an item in the Notice convening the forthcoming AGM of the Company, for necessary approval of the shareholders. M/s. Sanjay V Gupta & Associates, Chartered Accountants registered with the Institute of Chartered Accountants of India. It has its office at WZ-1003 Rani Bagh Delhi-110034. Auditors' Report to the shareholders for the financial year ended 31st March, 2023, does not contain any qualification.

Secretarial Auditors and their Report

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s M R S & Associates, Company Secretaries (Firm Unique Code S2019DE678300), holding a valid certificate issued by the Peer Review Board (Certificate No. 2517/2022) of the Institute of Companies Secretaries of India (ICSI), was appointed as the secretarial auditor of the Company for the financial year 2023-24. The Secretarial Audit Report in Form MR-3 for the financial year 2023-24 is annexed to this Directors' Report as 'Annexure 2'. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Internal Audit

During the financial year under review, an audit plan is rolled out with approval of the Board to conduct a Half yearly internal Audit of the Company. The company appointed G.K Sureka & Co. Chartered Accountants as the internal auditor for the half year audit from September 2023 to March 2024. The plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the reports of internal audit, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions are periodically presented to the Audit Committee of the Board.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2024, in relation to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is as under:

A) CONSERVATION OF ENERGY

- i. Energy conservation measures taken - N.A.
- ii. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy - N.A.
- iii. Impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact in the cost of production of goods – N.A.
- iv. Steps taken by the Company for utilizing alternate sources of energy - N.A.
- v. Capital investment on energy conservation Equipment – N.A.

B) TECHNOLOGY ABSORPTION

- i. Efforts made in technology absorption – N.A.
- ii. Specific areas in which R & D carried out by the Company and Benefits derived as a result of R & D - N.A.
- iii. Technology imported during last three years – None
- iv. The future plan of action – None
- v. Expenditure in R & D – Nil
- vi. Technology Absorption, adaptation and innovation efforts & benefits to the Company – N.A.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- i. Foreign exchange earned in term of actual inflows during the financial year 2023-24 was Rs. 32.28 Lakhs
- ii. Foreign exchange outgo in term of actual outflows during the financial year 2023-24 was Rs. 233.60 Lakhs

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('PoSH Act') and Rules framed thereunder. All employees (including trainees, apprentices and probationers) of the Company at all its locations are covered in this policy.

Internal Complaints Committee ('ICC') is in place to redress complaints of sexual harassment

and the Company has complied with the provisions relating to the constitution of ICC under the PoSH Act.

During the financial year under review, no complaints were filed pertaining to sexual harassment of woman employee in terms of the PoSH Act, the following is the summary of the complaints received and disposed – off during the financial year 2023-24:

No. of complaints received: NIL

No. of complaints disposed of: NIL

Your Company holds a strong commitment to provide a safe, secure and productive work environment to all its employees. The Company strives to ensure that every employee is informed and compliant with all statutory policies and practices. PoSH awareness and sensitization are an integral part of this process.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013 the Director's confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year 2023-24.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.
5. 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.

REPORTING OF FRAUDS BY AUDITORS:

During the Year under review, the Statutory Auditors have not reported under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which need to be reported in the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company's CSR initiatives align with the core purpose aforesaid by prioritizing in areas of skilling, education, environment sustainability and health. During the year under review, the unveiling of 'SONA'.

The detailed information on CSR initiatives undertaken by your Company during the financial year

ended 31 March 2024 is provided in the report on Management Discussion and Analysis, which forms part of this Annual Report. The Annual Report on CSR activities pursuant to the provisions of section 134 and 135 of the Act read with rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and rule 9 of the Companies (Accounts) Rules, 2014 is annexed to this Directors' Report as 'Annexure 3'.

NUMBER OF MEETING OF THE BOARD:

There were 31 meetings of Board of Directors, 5 Audit committee and 1 NRC Committee held during the financial year 2023-24. The status of the attendance of the Board of Directors are as follows:

S.no.	Name of Directors	No. of Board Meetings Held	No. of Board Meeting Attended
1	Vasu Naren	31	31
2	Narendra Kumar	31	23
3	Shweta Baisla	31	31
4	Naman Jain	31	16
5	Preet Kumar	31	16
6	Akash Kumar Bansal	31	9

S.no.	Name of Directors	No. of Audit Committee Meeting Held	No. of Audit Committee Meeting Attended
1	Shweta Baisla	5	5
2	Naman Jain	5	5
3	Preet Kumar	5	5

S.no.	Name of Directors	No. of NRC Meeting Held	No. of NRC Meeting Attended
1	Naman Jain	1	1
2	Preet Kumar	1	1
3	Narender Kumar	1	1

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of the provisions of section 149 of the Act and the Listing Regulations, 2015, the independent directors on the Board of your Company as on the date of this report are Naman Jain, Preet Kumar and Akash Kumar Bansal.

The Company has received declaration pursuant to section 149(7) of the Act and regulation 25 of the Listing Regulations, 2015 from all the independent directors stating that they meet the criteria of independence as provided in section 149(6) of the Act read with regulations 16 and 25 of the Listing Regulations, 2015.

The independent directors have also confirmed compliance with the provisions of section 150 of the Act read with rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, relating to inclusion of their name in the independent director's databank of the Indian Institute of Corporate Affairs.

The Board of Directors of your Company have taken on record the said declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same in terms of regulation 25 of the Listing Regulations, 2015. In the opinion of the Board, the independent directors fulfil the conditions specified in the Act as well as the Rules made thereunder read with the Listing Regulations, 2015 and have complied with the code for independent directors prescribed in Schedule IV to the Act.

CORPORATE GOVERNANCE

The Company is listed on SME Emerge Platform of NSE, by virtue of Regulation 15 of Listing Regulation the compliance with the corporate governance provisions as specified in Regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 clauses (b) to (i) and (t) of sub regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the listing regulation are not applicable to the Company. Hence, the Corporate Governance Report does not form part of this Annual Report.

DETAILS OF NON-COMPLIANCE

The Company has complied with the requirement of various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed by them on the Company.

MANAGING DIRECTOR AND CFO CERTIFICATION:

The Managing Director and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations certifying, inter alia, that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the company's affairs. The said certificate is annexed to this report as "Annexure-4".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178;

In compliance with the requirements of Section 178 of the Act, SEBI Listing Regulations, 2015 and any other re-enactment(s) for the time being in force, the Company has laid down a Nomination and Remuneration Policy which has been uploaded on the Company's website.

Nomination and Remuneration Policy is available at the website of the Company <https://www.sonamachinery.com>. The Board has adopted Nomination and Remuneration policy for selection and appointment of Directors and Key Managerial Personnel and to decide their remuneration. The Nomination and Remuneration policy of the company acts as a guideline for determining, inter alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Directors and Key Managerial Personnel.

The salient features of the NRC Policy are as under:

- 1) Setting out the objectives of the Policy.
- 2) Definitions for the purposes of the Policy.
- 3) Policy for appointment and removal of Director, KMP and Senior Management.
- 4) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees.
- 5) Remuneration to Non-Executive / Independent Director.

PARTICULARS OF EMPLOYEE UNDER SECTION 197(12):

Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, ratio of remuneration of directors and KMP to median remuneration of employees and percentage increase in the median remuneration are annexed to this Directors' Report as 'Annexure 5'.

Further, a statement containing details of top ten employees in terms of the remuneration drawn and other specified employees as required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Directors' Report. In terms of the provisions of section 136 of the Act, the report is being sent to the members excluding the aforesaid statement. This statement will be made available by email to members of the Company seeking such information. The members can send an email to It shall also be kept open for inspection by any member at the registered office of the Company during business hours.

SHARE CAPITAL:

A) AUTHORISED SHARE CAPITAL

During the Financial Year 2023-24, the authorized share capital of the Company increased

from Rs 10,00,000/- (Rupees Ten Lakhs Only) divided in to 10,000 Equity Shares of Rs. 10 (Rupees Ten) Each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity shares of Rs. 10 each.

B) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

During the Financial Year 2023-24, the paid-up Share Capital of the Company increased from Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided in to 1,00,000 Equity Shares of Rs. 10/- (Rupees Ten) Each. to Rs. 13,72,40,000/- (Rupees Thirteen Crore Seventy-two Lakh Forty Thousand only) divided into 1,37,24,000 (One Crore Thirty-Seven Lakh Twenty-Four thousand) Equity shares of Rs. 10 Each. In Which Paid-up capital of Rs. 10,00,00,000 was raised through the issue of Bonus Equity shares on 13/09/2024 in the ratio of 1:100 by issue of 1,00,00,000 (One Crore) equity share of Rs. 10 each and the paid-up share capital of Rs. 3,62,40,000 (Rupees Three Crore Sixty-Two Lakhs forty thousand only) was raised through initial public offer of 36,24,000 equity shares of Rs. 10 each and premium of Rs. 133 each.

C) During the Financial Year 2023-24 Company has issued Bonus Shares.

D) During the Financial Year 2023-24 Company has not issued equity shares with differential rights/ Buy Back of Securities/ Issue of Sweat Equity Shares / Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.

E) Issue of employee stock options: The Company has not issued any shares as employee stock options scheme during the year under consideration. As of now the company is not planning for ESOP.

LISTING WITH STOCK EXCHANGES

The equity shares of the Company are listed on SME-Emerge Platform of National Stock Exchange of India Limited (NSE) w.e.f. March 13, 2024 and the Company confirms that it has paid the Annual Listing Fees for the year 2023-24 to NSE Limited.

DEMATERIALISATION OF EQUITY SHARES

All the Equity shares of the Company are in dematerialized form with either of the depositories viz NSDL and CDSL. The ISIN No. allotted to the Company is INE0Q6H01012.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is commensurate with the activities and functions carried out by the Company.

INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING:

During the financial year under review, the company requirement for Internal Financial Control over financial reporting is now applicable to our company following its conversion from a private

limited company to a public limited company.

INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

During the year, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), amount referred under Section 125 (2) shall be credited to Investor Education and Protection Fund. However, there were no such amounts which are covered under the said section 125 read with the applicable rules that needed to be transferred to IEPF.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:

During the period under review, no application has been made or any proceeding pending under Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

No one time settlement was done by the company during the period under review. Hence, valuation is not required.

MAINTENANCE OF COST RECORDS

The provisions of Section 148(1) of the Act with regard to maintenance of cost records are applicable to the Company and the Company has made and maintained the cost records as specified therein.

NUMBER OF COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR

No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported in the last financial year.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The details of the vigil mechanism (whistle blower policy) are given in the Report on Corporate Governance, which forms part of this Annual Report.

The policy is available on the Company's website at www.sonamachinery.com/investors.

AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDER RELATIONSHIP COMMITTEE

Audit Committee, Nomination and Remuneration Committee, Stakeholder relationship committee and Internal Complaint Committee is required to be constituted.

The detail of Audit Committee, Nomination and Remuneration Committee, Stakeholder relationship committee and Internal Complaint Committee are on the website of the Company <https://www.sonamachinery.com/investors>.

PREVENTION OF INSIDER TRADING

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"), as amended, your Company has adopted a 'Code of Practices & Procedures for fair disclosure of Unpublished Price Sensitive Information'(UPSI) to regulate, monitor and report trading by designated persons in listed securities of your Company ("the Code").

The Code aims at preserving and preventing misuse of UPSI. All Designated Persons of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. PAN based online tracking mechanism for monitoring of the trade in your Company's securities by the "Designated Persons" and their relatives is in place to ensure real time detection and taking appropriate action, in case of any non-compliance with the provisions of the Code.

The Board, designated persons and other connected persons have affirmed compliance with the Code.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management discussion and analysis report for the financial year 2023-24, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented as a separate statement in the annual report. This report offers a consolidated perspective on economic, social, and environmental aspects material to our strategy and our ability to create and sustain value for our stakeholders. It includes reporting requirements as stipulated by Regulation 34(2)(e) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has adopted a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk-reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

APPRECIATION

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, adaptability, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the co-operation and support extended by the Share Holders, various authorities, banks, dealers and vendors. The Directors also acknowledge with gratitude the dedicated efforts and valuable contribution made by all the employees of the Company.

**For and on Behalf of the Board
For Sona Machinery Limited**

Date: 31/08/2024

Place: New Delhi

**Vasu Naren
Chairman & MD
DIN: 06915821**

Annexures



Annexure 1 FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. (Details of contracts or arrangements or transactions not at arm's length basis
There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2024, which were not arm's length basis
2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No	Name of Related Party & Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Can Engineering Private Limited	Sale of Goods	Ongoing Transaction	Machineries, Spare parts sold to CAN Engineering	29-04-2023	Nil
2	Narendra Kumar Prop. Sona foods	Rent	Ongoing Transaction	The factory of the company has been taken on a monthly rent of Rs. 3,00,000/-	29-04-2023	Nil

Vasu Naren
Chairman & MD
DIN: 06915821

Shweta Baisla
CFO & WTD
DIN: 09652443

Annexure 2
Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024

To,

The Members,
SONA MACHINERY LIMITED
701 7th floor KLJ tower Plot No. B-5, Netaji Subhash Place,
Maurya Enclave, North West Delhi, Delhi-110034, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SONA MACHINERY LIMITED (CIN: L29256DL2019PLC345856) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sona Machinery Limited ("The Company") for the financial year ended on 31st March, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6. Following are the other acts applicable on the Company:

- a. Maternity Benefit Act, 1961 and rules framed thereunder;
- b. Employee' Provident Fund Act and Miscellaneous Provisions Act, 1952 and rules framed thereunder;
- c. The Payment of Gratuity Act, 1972 and rules framed thereunder;
- d. Payment of Bonus Act, 1965 and rules framed thereunder;
- e. Equal Remuneration Act, 1976 and rules framed thereunder;
- f. Payment of Wages Act, 1936 and rules framed thereunder;
- g. Minimum Wages Act, 1938 and rules framed thereunder;
- h. Factories Act, 1948 and rules framed thereunder

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that except to the extent stated above, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the company has not undertaken any specific events/actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except the follow:

1. Increase in the Authorised Share Capital of the Company and consequential amendment to the MOA of the Company.

The Company passed an Ordinary resolution at its Extra Ordinary General Meeting held on 11th September, 2023, to increase its Authorised Share Capital from Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10 each to Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10 each.

2. Allotment of Bonus shares

The Company passed an Ordinary resolution at its Extra Ordinary General Meeting held on 13th September, 2023, to capitalize the reserve of Rs. 10,00,00,000/- by way of allotment of 1,00,00,000 fully paid equity shares of Rs. 10/- each as Bonus shares.

3. Conversion from Private Limited company to Public Limited Company and subsequently alteration of Memorandum of Association and Articles of Association of the Company

The Company passed an Special resolution at its Extra Ordinary General Meeting held on 21st September, 2023, to convert from Private Limited Company to Public Limited Company and subsequently alteration of Memorandum of Association and Articles of Association of the Company.

4. Listing on the SME Platform of NSE pursuant to IPO:

As Initial Public Offer ('IPO') of the equity shares of the Company was undertaken in March 2024 and the Board of Directors at their meeting held on 11th March 2024 allotted 3624000 equity shares of Rs. 10 each at a premium of Rs. 133 per share.

Pursuant to the same, the Company received listing from NSE on 13th March 2024 and the equity share of the company were listed and admitted to dealings on the NSE with effect from 14th March, 2024.

Date: 09/08/2024

Place: New Delhi

For M R S & Associates
Practicing Company Secretaries
Firm Unique Code S2019DE678300
Peer Review Certificate no. 2517/2022

CS Mohit
Proprietor
FCS No.: 12708
C.P No.: 21941
UDIN: F012708F000941174

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**To,
The Members,
SONA MACHINERY LIMITED
701 7th floor KLJ tower Plot No. B-5, Netaji Subhash Place,
Maurya Enclave, North West Delhi, Delhi-110034, India,**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure B;
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the company. We have not checked the practical aspects relating to the same.
4. Whenever our audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the institute.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the company under the specified laws, though we have relied to a certain extent on the information furnished in such return.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material

non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 09/08/2024

Place: New Delhi

**For M R S & Associates
Practicing Company Secretaries
Firm Unique Code S2019DE678300
Peer Review Certificate no. 2517/2022**

**CS Mohit
Proprietor
FCS No.: 12708
C.P No.: 21941
UDIN: F012708F000941174**

ANNEXURE B LIST OF DOCUMENTS

1. Signed minutes for the meetings held during the period under review;
2. Agenda papers for Board and Committee Meeting along with notice on a sample basis;
3. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
4. Annual Report for financial year 2022-23 and standalone financial statements for financial year 2023-24.
5. Directors' disclosures under the Act and rules made thereunder;
6. Statutory Registers under the Act;
7. Forms filed with ROC, intimations made to stock exchanges;
8. Policies/Codes framed under SEBI regulations;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015

Annexure-3

The Annual Report on Corporate Social Responsibility for the FY 2023-24 [Pursuant to clause (o) of sub-section (3) of section 134 of the act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline on CSR policy of the Company

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The company, in accordance with the requirements of the Companies Act, 2013 had conceptualized and implemented the Corporate Social Responsibility (CSR) activities during the year in the field of promoting education and animal welfare.

2. The Composition of the CSR Committee

S.no.	Name of Directors	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	N/A	N/A	N/A	N/A

Note: Pursuant to section 135(9), where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Hence the company do not form CSR Committee.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – Disclosed on the website of Sona Machinery Limited, Link: www.sonamachinery.com (Please refer to corporate social responsibility tab in the menu bar of this link)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S.no.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
	N/A	N/A	N/A

6. Average net profit of the company as per section 135(5): Rs. 5,11,17,397.66

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs. 10,22,347.95 /-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL

(c) Amount required to be set off for the financial year, If any- NIL

(d) Total CSR obligation for the financial year (7a+7b-7c)- Rs. 10,22,347.95 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amount	Date of transfer	Name of the Fund	Amount	
10,50,000/-	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR registration number

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent in the current financial Year	Mode of implementation -Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District			Name	CSR registration number
1.	For Making of bicycle stand in school for students	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Chhattisgarh		2,50,000/-	No	NA	NA
2.	For Animal welfare	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	No	Delhi		8,00,000/-	Yes	Om Sarvodayam Sansthanam	CSR00017405

(d) Amount spent in Administrative Overheads- NIL

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

(f) Total amount spent for the Financial Year (6a+6b+6c)- Rs. 10,50,000/-

(g) Excess amount for set off, if any- 27,652/-

S.no.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)Narendra Kumar	10,22,347.95
(ii)	Total amount spent for the Financial Year	10,50,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	27,652.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	27,652.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the financial Year	Amount transferred to a fund as specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
					Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year.	Status of the project- Completed /Ongoing

**ANNEXURE-4
CEO/CFO CERTIFICATION**

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

Yes No

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

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

Sl. No.	Short particulars of the property or asset(s) including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR Spent for creation or acquisition of capital asset.	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if any	Name	Registered Address
(1)	(2)	(3)	(4)	(5)	(6)		

Not Applicable

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

**For and on behalf of the Board
Sona Machinery Limited**

**Vasu Naren
Chairman & Managing Director
DIN: 06915821**

**Shweta Baisla
CFO &WTD
DIN: 09652443**

The Board of Directors
Sona Machinery Limited

Compliance Certificate as required under Regulation 17(8) and Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

- A. We have reviewed Audited Financial Statements and the Cash Flow Statements for the Financial Year ended on 31st March, 2024 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading.
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. They are to the best of our knowledge and belief, no transactions entered into by the company during the half financial year which are fraudulent, illegal or violates of the company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

SONA MACHINERY LIMITED

**Shweta Baisla
WTD & Chief Financial Officer
DIN: 09652443**

**Vasu Naren
Chairman & MD
DIN: 06915821**

**ANNEXURE-5
CEO/CFO CERTIFICATION**

DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES
[Pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including amendments thereto]

- A. (i) Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2023-24 and the percentage increase in remuneration of Chief Financial Officer, Company Secretary or Manager, if any in the financial year are as under:

Name of Directors	Designation	% increase	Ratio of remuneration of Director to the median remuneration of the employees
Vasu Naren	Chairman & Managing Director	71.09%	28.52
Shweta Baisla	WTD and Chief Financial Officer	44.87%	9.21
Naman Jain	Independent Director	--	--
Preet Kumar	Independent Director	--	--
Akash Kumar Bansal	Independent Director	--	--
Supriya	Company Secretary & Compliance officer	--	3.36

*Except for Key Managerial Personnel, i.e., the Managing Director, Chief Financial Officer, and Company Secretary, no other directors received any remuneration from the company other than sitting fees for attending board meetings and committee meetings.

**Mr. Narender Kumar resigned from the directorship of the company on 20/01/2024.

- B. Percentage increase in the median remuneration of all employees in the financial year 2023-24: 18.21%
- C. Number of permanent employees on the rolls of the Company as of March 31, 2024: 252
- D. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Managerial Remuneration: 18.97%
Non-Managerial Remuneration: 26.60%

*Independent director sitting fees in not included to calculate average percentile.

- E. Affirmation that the remuneration is as per the remuneration policy of the company: Yes
- F. Details of top 10 (Ten) employees in terms of remuneration drawn during the year:

Rupees in Lakhs

Name	Designation	Remuneration Received	Qualification (years)	Experience	Joining Date	Age (years)	Last Organisation
Rajeev Sachdeva	VP-Sales Ethanol Division	26.81	B.E	36	01-04-23	58	Premium Pulman Pvt Ltd
Vipin Kumar	Project Sales Manager	23.53	B.Tech.	23	09-03-23	42	Agnext Technologies Pvt Ltd
Nitin Saxena	AVP	17.98	BHM	16	02-08-22	45	Gaussian Networks
Rajeev Chauhan	AGM	17.56	B.Tech.	38	02-01-23	63	Fujin Corporation Pvt Ltd
Deepu	Manager	16.17	MBA	14	01-01-21	36	MILLTEC Machinery Private Limited
Hashim	Sr. Manager	15.08	B.Tech	14	01-01-21	44	Sona Foods India
Neeraj Arora	DGM	14.29	MBA	12	25-04-22	36	East India Udyog Limited
Om Prakash Thakur	Project Manager	10.20	10th	12	01-07-23	35	ISGEC Heavy Engineering Ltd
Yogesh Singh	Manager	9.90	MBA	12	01-02-22	35	Suri Engineers Private Limited
Eswaroju Sudarvana Chary	Manager	9.51	BSC	19	03-02-21	24	Ricetec Machinery Private Limited

- G. Details of employees, employed throughout the financial year 2023-24, who were in receipt of remuneration for that year which in aggregate, was not less than One Crore and Two Lacs Rupees. NA
- H. Details of employees, employed for a part of the financial year 2023-24, who were in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lacs and Fifty Thousand Rupees per month: NA
- I. Details of employees, employed throughout the financial year or part thereof, who were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NA

J. Details of employees posted outside India and in receipt of a remuneration of Rs. 60 lakhs or more per annum or Rs. 5 lakhs or more a month: NA

Note:

1. CTC of the Director and employees is considered to calculate the Ratio of remuneration of Director to the median remuneration of the employees. Remuneration includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity etc.
2. For calculation of median remuneration, the number of employees as on the end date of the financial year has been taken into consideration.
3. Employees mentioned above are neither relative of any director or manager of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. All appointments are permanent and terminable by notice on either side.

**By Order of the Board of Directors
For Sona Machinery Limited**

**Dated: 31/08/2024
Place :New Delhi**

**Vasu Naren
Chairman & MD
DIN: 06915821**

FINANCIALS

2023-24



INDEPENDENT AUDITORS' REPORT

To
The Members of
Sona Machinery Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sona Machinery Limited ("the Company") which comprise the balance sheet as at 31 March 2024, the statement of profit and loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') 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. We state below Key Audit matter and our audit approach is listed as under for the same.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Inventory The present accounting system is unable to generate the report for the movement of physical inventory i.e. Stock item wise Opening, Inward, consumed/sold out and closing quantity.</p> <p>Therefore, Management did the physical verification of stock items and based on the physically found stock items, valuation of the stock has been derived by the management.</p> <p>We determined that this is a key audit matter due to (i) the Non availability of movement of stock items, (ii) Closing Physical Quantity of stock items is subject to Human counting error. (iii) the significant auditor effort in performing procedures to test the closing physical quantity of stock items.</p>	<p>Our approach to addressing the matter included the following procedures</p> <p>We tested the reasonableness of the estimate of Closing Inventory through evidence which includes the following:</p> <ol style="list-style-type: none"> 1. Verified the documentation of physical count exercise as provided by the Company via-a-vis the relevant stock quantity considered in Valuation working by the management. 2. Physically Quantity of stock items were test checked by Internal Auditor during the physical verification and no material discrepancy were found in their report. 3. Analytical procedures were applied by us basis of the GP margins on sales.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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.

Other Matter -

We have placed reliance on opening balances of ledger accounts for the Financial Year 2023-24 which has been taken from the Audited financial of the FY 2022-23 as certified by the Previous Auditor M/s Sanjay V Gupta & Associates, Chartered Accountants.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the statement of profit and loss and statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

- vi. Based on our examination which included test checks, performed by us on the Company, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except recording of quantitative data of Inventory movement, Opening and closing balances which were not recorded in the software therefore the audit trail (edit log) facility cannot be verified by us with respect to such inventory data:

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V of the Companies Act 2013.

For R.K. Jagetiya & Co
Chartered Accountants
Proprietor
Membership No.: 134691
(Firm Reg. No.146264W)
UDIN: 24134691BKADDP5997

Place: Mumbai
Date: 28th May, 2024

**Annexure "A" to the Independent Auditors' Report on the Financial Statement of Sona Machinery Limited for the year ended 31 March 2024
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i. In respect of its Property, Plant and Equipment:

(a) The company has maintained memorandum of records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.

(b) As explained to us, Property, Plant and Equipments have been physically verified by the Management at reasonable intervals in accordance with the regular program of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, Company does not have any immovable

property, therefore the requirement of this clause regarding title documents in company's name is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has not revalued its Property, Plant and Equipment during the year and;

(e) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

- ii. (a) The inventory has been physically verified by the management as at the end of year. In our opinion, the frequency of such verification is reasonable and the coverage and procedures as followed by management were appropriate; According to the information and explanations given to us and as examined by us, no discrepancies were noticed on such verification between the physical stocks and book records that were 10% or more in the aggregate for each class of inventory.

(b) The Company has not been sanctioned working capital limits in excess of Rs 5.00 crore, in aggregate, from banks on the basis of security of current assets; according requirement of this clause is not applicable to the Company.

- iii. According to the information and explanations given to us and on the basis of examination of books and records by us, The Company has not made investments in, not provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability/ Partnerships or any other parties during the year, Accordingly, reporting under clause 3(iii)(a) to (f) of the Order is not applicable.

- iv. In our opinion and according to information and explanation given to us, the company not made any contravention with the provisions of Section 185 and 186 of the Companies Act, 2013.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

- vi. We have not been furnished with cost records for Purchase, consumption of raw material, scrape, etc details, if any, which was required to be made and maintained during the year, therefore we are unable to comment on the requirement of this para.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. (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.

(b) According to the information and explanations given to us, the company is not declared wilful 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 our examination of the records of the Company, the Company has not taken any fresh term loan during the year therefore the clause is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements 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 the basis of our examination of the records of the Company and on an overall examination of the financial statements, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies;

x. (a) In our opinion and according to the information and explanations given to us, During the year, Company has raised funds through its maiden IPO of 36,24,000 no of shares aggregating to Rs 51.82 Crore. Basis of information and documents provided, the utilisation to the extent done by the Company, is in accordance with the object of the Issue.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (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) During the course of Audit, we have not come across with any fraud case by the management or on the management which require report under sub-section (12) of Section 143 of the Companies Act, 2013, accordingly no such report has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As informed to us, and basis of the documents given for our verification, No instance of the whistle blower complaints received by the Company during the period of applicability, accordingly there is no such consideration while determining the nature, timing and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) The Company has implemented the Internal Audit system since fourth quarter of the financial year, and based on the observation of the Internal Auditor, we state that internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, clause 3(xvi)(a) & (b) of the Order is not applicable.

(b) According to the information and explanations given to us, the provisions of

section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. During the year, There has been resignation of the statutory auditors, and the reason for the same i.e. “not qualified for listed Company Audit due to not holding peer review certificate” has been considered in our report.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the 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.
- xx. In our opinion and according to the information and explanations given to us, the Company has complied with CSR regulation under subsection (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For R.K. Jagetiya & Co
Chartered Accountants
(Firm Reg. No.146264W)
UDIN: 24134691BKADDP5997

Proprietor
(Ravi K Jagetiya)
Membership No.: 134691

Annexure “B” to the Independent Auditor’ Report on the Financial Statement of Sona Machinery Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ section of our report of even date)

We have audited the internal financial controls with reference to financial statements of Sona Machinery Limited (“the Company”) as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial

Our audit involves performing procedures to obtain audit evidence about the adequacy of statements were established and maintained and whether such controls operated effectively in all material respects the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 unmodified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 with reference to Financial Statements

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

For R.K. Jagetiya & Co
Chartered Accountants
(Firm Reg. No.146264W)

(Ravi K Jagetiya)
Proprietor
Membership No.: 134691
UDIN: 24134691BKADDP5997

Place: Mumbai
Date: 28th May, 2024

SONA MACHINERY LIMITED (Formerly known as Sona Machinery Pvt Ltd) CIN U29256DL2019PLC345856 BALANCE SHEET AS AT MARCH 31 2024

(Rupees In Lakhs Unless Otherwise Stated)

Particulars	Note	Figures as at the end of Current reporting period March 31, 2024	Figures as at the end of Current reporting period March 31, 2023
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.01	1,372.40	10.00
Reserves and Surplus	2.02	5,172.10	1,121.03
		6,544.50	1,131.03
Non-Current Liabilities			
Long Term Borrowings	2.03	47.71	101.65
Deffered Tax Liability	2.10	-	-
Long Term Provisions	2.04	25.31	37.48
		73.01	139.13
Current Liabilities			
Short Term Borrowings	2.05	48.79	150.94
Trade payables:	2.06		
(i) Outstanding toward MSME		772.03	265.44
(ii) Outstanding to Others		345.44	641.69
Other current liabilities	2.07	593.89	382.07
Short Term Provisions	2.08	203.82	131.92
		1,963.96	1,572.06
		8,581.48	2,842.22
TOTAL			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment and intangible assets	2.09		
(a) Property, Plant & Equipment		629.09	403.87
(b) Intangible Assets		22.66	12.98
Non Current Investment	2.11		
(a) Trade Investment			
(b) Other Investments		290.00	402.78
Deffered Tax Assets	2.10	26.03	14.98
Other non-current assets	2.12	2.25	2.25
		970.03	836.86
Current Assets			
Inventories			
Trade Receivables	2.13	1,221.97	526.88
Cash and Bank Balance	2.14	953.16	594.05
Short-term Loans and Advances	2.15	4,585.49	663.19
Other Current Assets	2.16	349.45	213.72
	2.17	501.37	7.52
		7,611.45	2,005.37
		8,581.48	2,842.22
TOTAL			
Significant Accounting Policies	1		
NOTES TO ACCOUNTS	2-9		

(The notes referred to above form an integral part of the Financial Statements) As Per Our Report as on Even Date Attached

For and on behalf of the board of Directors
Sona Machinery Limited

For R K Jagetiya & Co.
Chartered Accountants
ICAI F.R.No. 146264W
UDIN: 24134691BKADDP5997

Vasu Naren
M D & Chairman
DIN No. 06915821

Shweta Baisla
WTD and CFO
DIN No. 09652443

Supriya
Company Secretary

SONA MACHINERY LIMITED (Formerly known as Sona Machinery Pvt Ltd)
CIN U29256DL2019PLC345856

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON MARCH 31, 2024 (Rupees In Lakhs Unless Otherwise Stated)

Particulars	Note	Figures for the current reporting period From 01-04-2023 - 31-03-2024	Figures for the current reporting period From 01-04-2022 - 31-03-2023
Revenue from Operations	3.01	9,529.71	8,096.63
Other Income	3.02	38.56	15.91
Total Income		9,568.27	8,112.54
Expenses	3.03		
a) Cost of Materials Consumed		5,478.12	5,126.18
b) Purchases of Stock-in-Trade		359.56	-
c) Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade		(463.42)	(63.06)
d) Employee Benefit Expenses		1,329.36	941.00
e) Finance Costs		14.10	51.43
f) Depreciation and Amortization Expenses		120.47	88.55
g) Other Expenses		1,327.20	909.87
Total Expenses		8,165.38	7,053.95
Profit before exceptional, extraordinary Items and tax		1,402.89	1,058.59
Prior Period Items		(4.61)	5.76
Profit/(Loss) before tax		1,407.50	1,052.83
Tax Expense:		373.42	287.58
Current tax		(1.63)	7.16
(Short)/Excess provision for earlier years	2.10	(11.04)	(9.76)
Deferred tax			
Profit (Loss) for the period from continuing operations		1,046.76	767.85
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit/(Loss) (after tax)		1,046.76	767.85
Earning Per Equity share (In Rs.):			
Basic	4.01	10.15	7.60
Diluted	4.01	10.15	7.60
Significant Accounting Policies	1		
NOTES TO ACCOUNTS	2 - 9		

(The notes referred to above form an integral part of the Financial Statements) As Per Our Report as on Even Date Attached

For and on behalf of the board of Directors
Sona Machinery Limited

For R K Jagetiya & Co.
Chartered Accountants
ICAI F.R.No. 146264W
UDIN: 24134691BKADDP5997

Vasu Naren
M D & Chairman
DIN No. 06915821

Shweta Baisla
WTD and CFO
DIN No. 09652443

Supriya
Company Secretary

SONA MACHINERY LIMITED (Formerly known as Sona Machinery Pvt Ltd)
CIN U29256DL2019PLC345856

STATEMENT OF CASH FLOW ENDED ON MARCH 31, 2024 (Rupees In Lakhs Unless Otherwise Stated)

Particulars	Figures for the current reporting period From 01-04-2023 - 31-03-2024	Figures for the current reporting period From 01-04-2022 - 31-03-2023
Cash Flow from Operating Activities		
Net Profit before tax	1,407.50	1,052.83
Adjustments for:		
Depreciation on fixed assets	120.47	88.55
Loss on Discard of Fixed Assets	10.45	0.09
Interest on Bank FD/Bond	(21.45)	(0.36)
Interest Expenses	13.70	29.64
Loss on Sale of Investment	3.06	-
Provision for Gratuity	3.43	26.91
Operating Profit before Working Capital changes	1,537.16	1,197.65
Adjustments for :		
(Increase) /Decrease in Inventory	(695.08)	(336.74)
(Increase) /Decrease in Trade Receivables	(359.11)	(154.22)
(Increase) /Decrease in Short term loans and advances	(135.73)	242.20
(Increase) /Decrease in Other non current assets	-	(2.25)
(Increase) /Decrease in Other current assets	(493.85)	(7.20)
Increase/(Decrease) in Trade Payables	210.34	369.57
Increase/(Decrease) in Short Term Provisions	150.00	3.82
Increase/(Decrease) in Other Current Liabilities	211.82	98.86
Increase/(Decrease) in Other Long Term provisions	(15.60)	-
Cash Generated from Operations	409.94	1,411.69
Adjustments for Income tax	(449.89)	(243.53)
Net Cash inflow /(outflow) from Operating activities (A)	(39.95)	1,168.17
Cash Flow from Investing Activities		
Purchase of property, plant & equipment	(365.93)	-246.57
Sale of property, plant & equipment	0.10	1.40
Investments	112.78	-402.78
Interest on Bank FD/Bond	21.45	0.36
Loss on Sale of Investment	(3.06)	-
Net Cash inflow /(outflow) from Investing activities (B)	(234.65)	(647.59)
Cash Flow from Financing Activities		
Net Proceeds from Issue of Shares during the year	4,366.71	-
Increase/Drecrease in Short Term Borrowing	(102.16)	(104.99)
Increase/Drecrease in Long Term Borrowing	(53.94)	120.97
Interest Expenses	(13.70)	(29.64)
Net Cash inflow /(outflow) from Financing activities (C)	4,196.91	(13.65)
Net increase /(decrease) in cash and cash equivalents (A+B+C)	3,922.31	506.93
Cash and Cash Equivalents at the beginning of the year	663.19	156.26
Cash and Cash Equivalents at the end of the year	4,585.49	663.19

Refer note no. 2.15 for the components of cash and cash equivalents. As per our report as on Even Date Attached

For and on behalf of the board of Directors
Sona Machinery Limited

For R K Jagetiya & Co.
Chartered Accountants
ICAI F.R.No. 146264W
UDIN: 24134691BKADDP5997

Vasu Naren
M D & Chairman
DIN No. 06915821

Shweta Baisla
WTD and CFO
DIN No. 09652443

Supriya
Company Secretary

Company Overview and Nature of Operations

Company was originally incorporated as a Private Limited Company under the name of “Sona Machinery Private Limited” on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Sona Machinery Private Limited” to “Sona Machinery Limited” vide a fresh certificate of incorporation consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

Nature of operations

- To carry on the business as manufactures, importers, exporters, dealers of Rice mill machinery, Dal Mill machinery, Flour mill machinery and machinery for milling of other grains and cereals etc. and to set up factories or mills for the manufacture thereof.
- To carry on the business of manufacturers, wholesalers, dealers, exporters, importers of any kind of machinery, equipment and / or tools for the food processing industry and all kinds of machinery, tools, implements for all kinds of industry including agricultural, horticultural and scientific instruments of any kind.
- To engage, undertake and execute any contracts for works involving repair or use of any machinery or machine tools and to carry out any primary, secondary, ancillary or other works."

1.00 Summary of significant accounting policies

1.01 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards and the relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its Operating Cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1.02 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, the results of operation during the reported period and disclosure of contingent liabilities as on the reporting date. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable and are in their best knowledge of current event and actions. Actual results could

differ from these estimates and differences between actual results and estimates are recognized in the period in which the results are known or materialize. Significant estimates used by the management in the preparation of these financial statements include provision for employee benefits, estimates of the economic useful life of plant and equipment, provision for expenses, provisioning for taxation etc.

1.03 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sale of product revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at values net of Goods and Services Tax (GST).

Interest income is recognized on time proportion basis.

1.04 Expenses

Expenses are accounted for on accrual basis and provisions are made for all ascertained and known liabilities and losses.

1.05 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an property, plant and equipment comprises its purchase price, any costs directly attributable to bringing the property, plant and equipment into the location and condition necessary for it to be capable of operating in the manner intended by management.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

1.06 Depreciation on property, plant and equipment

The Company provides depreciation on items of property, plant and equipment on written down value method (WDV) based on useful life specified as below.

Assets	Useful Life (in years)
Plant & Machinery	15
Furniture & Fixtures	10
Motor Vehicle	10
Office Equipment	5
Computer & Accessories	3
Intangible Assets	5

Depreciation amount for asset is the cost of an asset less its estimated residual value. In case of impairment, depreciation is provided on revised carrying amount over its remaining useful life.

1.07 Intangible Asset

Intangible assets comprises of application Software. Intangible assets are recognized, only if they are separately identifiable and have future economic benefits arising out of them, at cost less accumulated amortization and impairment, if any.

1.08 Amortization of Intangible Assets

Intangible assets comprises of Software & licences are amortized over the five years.

1.09 Impairment

The management assesses the carrying amount of plant and equipment and intangible asset at each balance sheet date to determine whether there is any indication of impairment based on internal/external resources. If any such indications exist, the recoverable amount of plant and equipment and intangible asset is a estimated. An impairment loss is recognized wherever the carrying amount of an plant and equipment and intangible asset exceeds its recoverable amount. The recoverable amount is the greater of the plant and equipment and intangible asset's, net selling price and value in use. An impairment loss is recognized in the statement of profit and loss in the year in which the plant and equipment and intangible asset is recognized as impaired.

1.10 Inventories

Inventories comprising of raw materials, work in progress and finished goods are valued at lower of cost or net realizable value. Cost here represents landed cost including custom duty in case of imports and is net of duty which is cenvatable or refundable. Cost of inventories is determined on FIFO basis. Net realizable value is the estimate of the selling price in the ordinary course of business less further cost expected to be incurred for its completion and disposal.

1.11 Borrowing cost

Borrowing costs which is attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

1.12 Employee benefit expenses:

i) The company does not carry forward the balance of earned leave balance of employees,

balance earned leave is paid to the employees according to the policy of company.

ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

1.13 Leases

Where Company is lessee, the lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

1.14 Foreign Currency Transaction:

a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

b) Short term monetary items denominated in foreign currencies (such as cash, receivable, payable etc.) outstanding at the year end, are translated /re-converted at the year-end exchange rate unless covered by a forward contract.

c) Any gain or loss arising on settlement and / or translation of short term monitory transaction in foreign currency is accounted for in the statement of Profit and Loss.

1.15 Taxation

Income tax:

Current tax is determined as the amount of tax payable in respect of taxable income for the period calculated as per the prevailing provisions of Income Tax Law.

Deferred Tax is calculated on timing differences, being the difference between taxable income and the accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.16 Provisions, Contingent Liabilities and Contingent Assets

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. Provisions are not discounted to its present value and 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 disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow of resources will not be required to settle the obligation.

Depending upon facts of each case and after due evaluation of relevant legal aspects, Claims not acknowledged as debts, are regarded as contingent liabilities in the accounts.

1.17 Earnings Per Share

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Split/Bonus in face value of equity share of company has been considered as if it took place at the beginning of reporting period. There is no Antidilutive nature of instruments in during the reporting period.

1.18 Cash and Bank Balances

Cash and bank balances for the purposes of cash flow statement comprise Fixed Deposit, cash at bank, cash in hand.

1.19 Segment Reporting

Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of equipments for Cleaning, Processing, Polishing and Packaging of Rice, Pulses, Wheat, etc. this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable."

1.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

SONA MACHINERY LIMITED
(Formerly known as Sona Machinery Pvt Ltd)
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31st, 2024

2.01 SHARE CAPITAL

(Rupees in Lakhs unless otherwise stated)
Except Share Data

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	in Rs	Number	in Rs
Authorised Equity Shares of Rs. 10/- each fully paid up	1,50,00,000	1,500.00	1,00,000	10.00
Issued, Subscribed & Fully Paid up Equity Shares of Rs. 10/- each fully paid up	1,37,24,000	1,372.40	1,00,000	10.00
Total	1,37,24,000	1,372.40	1,00,000	10.00

a) The Reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(Rupees in Lakhs unless otherwise stated)

Shares outstanding	As at March 31, 2024		As at March 31, 2023	
	Number	in Rs	Number	in Rs
Shares outstanding at the beginning of the year	1,00,000	10.00	1,00,000	10.00
Shares Issued during the year	36,24,000	362.40		
Bonus Shares Issued during the year	1,00,00,000	1,000.00	-	-
Shares bought back during the year			-	-
Shares outstanding at the end of the year	1,37,24,000	1,372.40	1,00,000	10.00

b) The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 is set out below:

Shareholder(s) holding more than 5% shares	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Narender Kumar	7,07,000	5.15%	70,000	70.00%
Shweta Baisla	3,02,996	2.21%	-	0.00%
Vasu Naren	90,90,000	66.23%	30,000	30.00%
Total	1,00,99,996	73.59%	1,00,000	100.00%

c) Detail of Promoters Shareholding

Name of Promoters	As at March 31, 2024		As at March 31, 2023		% Change in Shareholding
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Narender Kumar	7,07,000	5.15%	70,000	70.00%	-64.85%
Shweta Baisla	3,02,996	2.21%	-	0.00%	2.21%
Vasu Naren	90,90,000	66.23%	30,000	30.00%	36.23%
Total	1,00,99,996		1,00,000		-26.41%

Note:

Terms/rights attached to equity shares:

(i) The company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, if any.

(ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) The company has issued 1,00,00,000 Bonus Shares on 13 September, 2023 in the ratio of 100:1 to existing shareholders.

(iv) Pursuant to shareholder's resolution dated 04th September, 2023 the authorized share capital of the company be increased from Rs 10,00,000/- (Rupees Ten Lakhs only) divided in to 1,00,000 equity shares of Rs 10/- each to Rs 15,00,00,000 (Rupees Fifteen crore only) divided in to 1,50,00,000 equity shares of Rs 10/- each ranking pari-passu with the existing share capital.

v) The Company has made an initial public offering (IPO) of 36,24,000 no. of Equity shares of face value of Rs 10/- each fully paid up for cash at a Price of Rs 143/- each (including share premium of Rs 133/- each). The equity share of the Company got listed on NSE Emerge platform on March 13, 2024.

2.02 RESERVES & SURPLUS

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
A. Profit & loss account		
Balance as at the beginning of the year	1,121.03	353.19
Add: amount transferred out of current period surplus in the statement of profit and loss	1,046.76	767.85
Less: Transferred to Share Capital	(1,000.00)	-
Balance as at the end of the year (A)	1,167.79	1,121.03
B. Security Premium Account		
Balance as at the beginning of the year	-	-
Add: amount Received During the Period	4,819.92	-
Less: Amount Utilised	(815.61)	-
Balance as at the end of the year (B)	4,004.31	-
Total	5,172.10	1,121.03

2.03 LONG TERM BORROWINGS

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Secured Loans (Terms of repayment: Equated monthly installments)"		
HDFC bank - Car Loan (Secured against hypothecation of car)	-	3.44
HDFC used Car Loan (Secured against hypothecation of car)	0.17	2.13
Yes Bank CNC Machine Loan (Secured against hypothecation of Machine)	2.71	13.25
Yes Bank Laser Machine Loan (Secured against hypothecation of Machine)	7.29	27.71
HDFC Nexon Car Loan (Secured against hypothecation of car)	-	5.41
Yes Bank KIA Car Loan (Secured against hypothecation of car)	17.31	22.81
Unsecured Loans (Terms of repayment: Equated monthly installments)		
Yes Bank- Term Loan (Secured against Property of Director)	18.77	19.11
Loan from Fed Bank	1.46	7.79
Total	47.71	101.65

2.04 LONG TERM PROVISIONS

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Provision for Gratuity	25.31	37.48
Total	25.31	37.48

2.05 SHORT TERM BORROWINGS

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Secured Loans (Terms of repayment: Equated monthly installments)"		
Current maturities of long term debt		
HDFC bank - Car Loan (Secured against hypothecation of car)	3.44	4.29
HDFC used Car Loan (Secured against hypothecation of car)	1.96	1.72
Yes Bank CNC Machine Loan (Secured against hypothecation of Machine)	10.54	9.52
Yes Bank Laser Machine Loan (Secured against hypothecation of Machine)	20.42	18.43
HDFC Nexon Car Loan (Secured against hypothecation of car)	-	3.05
Yes Bank KIA Car Loan (Secured against hypothecation of car)	5.50	5.03
Unsecured Loans		
Yes Bank - Dropline Overdraft Facility (Secured against Property of Director)	0.23	100.14
Current maturities of long term debt		
Yes Bank- Term Loan (Secured against Property of Director)	0.36	0.29
Loan from Fed Bank (Terms of repayment: Equated monthly installments)	6.34	8.48
Total	48.79	150.94

2.06 TRADE PAYABLES

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Dues to Suppliers		
*Payable to Micro, Small enterprises	772.03	265.44
Payable to creditors other than Micro, Small enterprises	345.44	641.69
Total	1,117.47	907.13

*Payable to Micro, Small enterprises includes payable towards Medium Enterprises as per the Definition of MSMED Act, 2006.

TRADE PAYABLES AGEING SCHEDULE

(Rupees in Lakhs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME Vendors					
As on 31-03-2024	772.03	-	-	-	772.03
As on 31-03-2023	265.44	-	-	-	265.44
	-	-	-	-	
(ii) To Others					
As on 31-03-2024	345.44	-	-	-	345.44
As on 31-03-2023	640.69	1.00	-	-	641.69
Total as on 31-03-2024	1,117.47				1,117.47
Total as on 31-03-2023	906.13	1.00			907.13

2.07 OTHER CURRENT LIABILITIES

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Other liabilities		
TDS and TCS Payable	82.18	34.36
GST Payable	0.92	4.95
Rent Payable	-	3.24
ESIC Payable	1.08	1.28
Salary and Wages Payable	78.48	70.11
Interest accrued and due on borrowings	0.57	0.90
EPF Payable	8.34	8.28
Incentive Payable	28.85	57.13
Advance from customer	393.48	201.83
Total	593.89	382.07

2.08 SHORT TERM PROVISIONS

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Provision for Income Tax (net of advance tax, TDS, TCS receivable)	45.83	123.93
Provision for Audit Fees	8.00	1.13
Provision for Electricity	5.96	6.71
Provision for Other Expenses	-	0.16
Provision for Salaries & Wages	16.17	-
Provision for Commission	106.21	-
Provision - Fabrication & Erection Work Charge	4.65	-
Provision for Software Expenses	14.92	-
Provision for Directors Remuneration	1.47	-
Provision For Gratuity Short Term	0.60	-
Provision for Interest	-	-
Total	203.82	131.92

Note 2.09

Property, Plant and Equipment and Intangible Assets

Asset	Gross Carrying Value as on 01-04-2023	Addition for the Year	Deletion for the Year	Gross Carrying Value as on 31-03-2024	Accumulated Depreciation as on 01-04-2023	Depreciation for the year	Deduction/ Adjustment	Accumulated Depreciation as on 31-03-2024	Net Block as on 31.03.2024	Net Block as on 31.03.2023
Plant & Machinery	383.21	280.24	15.78	647.67	91.94	69.64	6.25	155.32	492.34	291.27
Furniture & Fixtures	27.12	9.24	1.84	34.52	10.95	5.39	0.96	15.38	19.14	16.17
Motor Vehicle	81.84	36.46	-	118.30	13.57	20.74	-	34.31	83.99	68.27
Office Equipment	21.16	15.55	0.03	36.67	5.73	7.14	(6.53)	19.39	17.28	15.44
Computer & Accessories	34.43	17.33	0.39	51.37	21.71	13.68	0.35	35.04	16.34	12.72
Intangible Assets	40.50	7.11	0.18	47.43	27.52	8.70	11.46	24.76	22.66	12.98
Total	588.26	365.93	18.22	935.96	171.41	125.28	12.48	284.21	651.76	416.85
Previous Year	345.46	246.57	3.77	588.26	85.15	88.55	2.29	171.41	416.85	260.31

2.10 CALCULATION OF DEFERRED TAX

(Rupees in Lakhs unless otherwise stated)

Particulars				Amount
Calculation of Timing Difference (T.D.):-		DTA	DTL	
Add:- Timing Difference created during the year				
Depreciation				
Written Down Value				
As per Companies Act, 2013	651.76			
As per Income Tax Act, 1961	700.32	48.57		NIL
Preliminary Expenses Written off				
As per Companies Act, 2013	0.20			
As per Income Tax Act, 1961	0.16	0.04		NIL
Provision for doubtful debts		28.90		
Provision for gratuity disallowed		25.91		NIL
Closing Balance of Timing Difference (T.D.)		103.42		
Timing Difference (NET) - DTA				103.42
Calculation of Deferred Tax				
Timing Difference (T.D.)				103.42
Tax Rate (%)				25.17%
Deferred Tax Asset for the year [DTA] [Shown in Balance Sheet]				26.03
Existing Value [Deferred Tax Assets Already created] - as on 31.03.23				14.98
Deferred Tax Asset created				11.04

2.11 Non Current Investment

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Trade Investment		
Other Investments		
Investments in debentures or bonds		202.78
(7.75% STATE BANK OF INDIA UNSECURED RATED LISTED BASEL III COMPLAINT ADDITIONAL TIER 1 NON CONVERTIBLE PERPETUAL BOND IN THE NATURE OF DEBENTURE. SERIES 2022-I)		
Fixed Deposits with Bank - Long Term (maturity for more than 12 months)	90.00	-
Investments in Funds (YSL Alternates Alpha Plus Fund - Class A1)	200.00	200.00
Total	290.00	402.78

2.12 Other Non Current Assets

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Security Deposits (Long Term)	2.25	2.25
Total	2.25	2.25

2.13 INVENTORIES

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Inventories:		
-Finished Goods	346.32	81.89
- WIP	230.79	31.79
- Raw Material	644.87	413.20
Total	1,221.97	526.88

Note: Valuation of Inventories is done at lower of Cost and net realizable value

2.14 TRADE RECEIVABLES

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	953.16	594.05
Doubtful	28.90	7.03
	982.06	601.08
Less: Provision for doubtful debts	28.90	7.03
Total	953.16	594.05

Trade Receivables Ageing schedule

(Rupees in Lakhs unless otherwise stated)

Particulars	As On				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
Undisputed Trade Recievable					
Considered Good					
As on 31-03-2024	747.12	110.50	79.72	15.83	953.16
As on 31-03-2023	309.13	198.07	84.30	2.55	594.05
Undisputed Trade Recievable					
Considered doubtful	-	-	-	-	-
As on 31-03-2024	-	-	14.63	14.28	28.90
As on 31-03-2023	-	-	7.03	-	7.03
Total as on 31-03-2024	747.12	110.50	94.34	30.10	982.06
Total as on 31-03-2023	309.13	198.07	91.33	2.55	601.08

2.15 CASH AND BANK BALANCE

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
CASH AND CASH EQUIVALENTS		
Cash in Hand#	0.60	4.74
Balances with Banks:		
In Current Accounts :		
Yes Bank *****00508	318.85	593.14
HDFC BANK CA *****10151	8.61	13.02
HDFC BANK CA *****38801	3,799.86	-
HDFC Bank CA *****45374	220.32	-
Balance in Yes Bank Card	-	1.09
OTHER BALANCES		
Fixed Deposits with Bank (maturity for less than 3 months)	237.25	51.19
Total	4,585.49	663.19

2.16 SHORT TERM LOANS AND ADVANCES

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Balance with Revenue Authorities		
GST Credit Receivable	140.44	103.25
GST Refund Recievable	-	43.40
Other Advances		
Advance to Suppliers	169.91	18.07
Prepaid Expenses	39.10	49.00
Total	349.45	213.72

2.17 Other Current Assets

(Rupees in Lakhs unless otherwise stated)

Particulars	As On	
	31-Mar-24	31-Mar-23
Security Deposits	79.95	0.43
Fixed Deposits with Bank (maturity for 3 months to 12 months)	81.00	-
Employee Loan, Advance etc.	32.25	5.66
Accrued Interest	6.99	0.35
TDS Recoverable from Vendors	1.49	1.09
Duty Drawback Recievable	0.23	-
Advance for Purchase of Land	150.00	-
IPO Expenditure	149.45	-
Total	501.37	7.52

3.01 REVENUE FROM OPERATIONS

In respect of a company other than a finance company revenue from operations
(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
Sales of Goods		
Domestic Sale of Goods	9,336.69	7,841.98
Freight & Packing Income on Sales	36.31	-
Export of Goods	101.97	245.72
	-	-
Sales of Services	-	-
Export of Services	-	6.87
Services and Installation Income	54.73	2.06
Total	9,529.71	8,096.63

3.02 Other Income

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
Duty Drawback	0.44	2.61
Other Income	1.37	0.13
Advance Forfeited	2.93	2.80
Creditors written off	-	9.97
Other Interest Income	-	0.06
Interest on FD	12.19	0.36
Interest on Bond	9.26	-
Gain on Realization of AIF	10.64	-
Discount Income	0.14	-
Income on sale of RODTEP	1.59	-
	-	-
Total	38.56	15.91

3.03 EXPENSES

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
a) Cost of Materials Consumed		
Inventory at the beginning of the year	413.20	139.52
Add : Purchases during the year		-
Domestic Purchase of Raw Materials and Others	5,656.61	5,372.80
Import of Raw Materials (Including Duty)	53.18	27.06
Less: Inventory at the end of the year	644.87	413.20
Cost of raw material consumed	5,478.12	5,126.18
b) Purchases of Stock-in-Trade	359.56	-
c) Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade		
Opening Stock of Finished Goods**	81.89	30.08
Less: Closing Stock of Finished Goods**	346.32	81.89
Changes in inventories of Finished Goods	(264.42)	(51.81)
Opening Stock of Work-in-progress**	31.79	20.54
Less: Closing Stock of Work-in-progress**	230.79	31.79
Changes in inventories of Work-in-progress	(199.00)	(11.25)
Opening Stock of Stock-in-Trade**	-	-
Less: Closing Stock of Stock-in-Trade**	-	-
Changes in inventories of Stock-in-Trade	-	-
**As Valued & Certified by the Management		
d) Employee Benefits Expenses		
Salaries and Wages	967.58	597.79
Director Remuneration	91.20	100.67
Bonus & Incentives	141.60	121.86
Compensation to Employees	-	0.45
Employers Contribution to ESI	11.09	8.68
Employers Contribution to EPF	52.61	37.91
Staff & labour Welfare Expenses	24.30	26.29
Insurance - Employees	37.55	20.42

Expenses

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
Gratuity - Provision	3.43	26.91
Total	1,329.36	941.00
e) Finance Costs		
Interest Expense		
Interest on Car Loan	3.44	2.76
Interest on Overdraft Facility	0.40	2.14
Interest on Term Loan	4.18	18.86
Interest on Machinery Loans	5.68	5.88
Other borrowing costs		
Loan Processing Fees and Other Charges	0.40	11.20
Interest payable for shortfall in advance tax	-	10.59
Total	14.10	51.43
f) Depreciation and Amortization Expenses		
Depreciation on Property, Plant & Equipment	116.58	78.20
Amortization on Intangible Assets	8.70	10.34
Depreciation-Change in accounting Policy	(4.81)	-
Total	120.47	88.55
g) Other Expenses		
Audit Fees	10.00	1.25
Advances written off	-	25.04
Bank Charges	4.43	0.80
Business Promotion and Advertisement Expenses	47.21	59.83
Exhibition Expenses	28.31	16.64
Car Running and Maintenance Expenses	9.93	9.77
Commission and Brokerage Expenses	202.00	208.75
Computer Repair and AMC Services	7.87	5.78
Conveyance	3.30	2.24
Postage & Courier	5.90	4.19
Donation	3.00	0.23

Expenses

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
CSR Expenses	10.50	-
Discount Allowed	9.45	12.95
Electricity Expenses	78.11	63.65
Export / Import Expenses	14.22	21.41
Factory Expenses	52.85	40.96
Security Guard Service	21.04	10.91
Rent Expenses	87.91	43.09
Fees and Taxes	19.73	3.01
Festival Expenses	10.87	7.09
Foreign Exchange Loss/(Gain)	1.96	4.61
Freight Expenses	110.65	78.59
Fuel Expenses	8.63	9.84
Insurance Expenses	1.89	2.19
Job Work Expenses	28.60	24.22
Consultancy & Professional Charges	60.49	37.22
Loading & Unloading Charges	12.17	7.87
Manpower Supply Expenses	19.74	-
Office Expenses	8.43	7.22
Loss On Discard of Fixed Asset	10.45	0.09
Printing & Stationery Exp	6.10	4.56
Recruitment Expenses	3.56	4.52
Repair & Maintenance Expenses - Building	16.01	3.39
Repair & Maintenance Expenses - Machinery	30.50	11.77
Software Expenses	94.28	46.58
Website Maintenance Expenses	1.74	3.25
Subscription Charges	8.81	2.10
Communication Expenses	6.54	5.17
Travelling Expenses	222.01	96.94
Bad Debts Provision expense account	21.87	7.03
Bad Debts	23.07	15.10
Loss on Realization of Investment	3.06	-
Total	1,327.20	909.87

Tax Expenses

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
Income Tax Expenses	373.42	287.58
Short/(Excess) Provision for earlier year Income Tax	(1.63)	7.16
Deffered Tax	(11.04)	(9.76)

Additional Information to the Financial Statements

4.01 Basic and diluted Earnings Per Share [EPS]

In Accordance with Accounting Standard (AS) -20 "EARNING PER SHARE"

(Rupees in Lakhs unless otherwise stated)

Particulars	As at	
	31-Mar-24	31-Mar-23
Basic/Diluted		
Profit after tax as per accounts (Rs.)	1,046.76	767.85
Weighted average number of shares outstanding	1,00,000	1,00,000
#Weighted average number of shares outstanding after Bonus and Issue	1,03,08,504	1,01,00,000
Basic/Diluted EPS (Per Share in Rs.)	10.15	7.60
Face value per share (Rs.)	10	10

The company has issued 1,00,00,000 Bonus Shares on 13 September, 2023 in the ratio of 100:1 to existing shareholders.

#2. The company has issued 36,24,000 No. of equity shares having Face Value of Rs. 10/- each in its Initial Public Issue on 11 March, 2024.

4.02 PAYMENT TO THE AUDITORS

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
a. Statutory Audit Fees	8.75	0.75
b. Tax Audit Fees	1.25	0.50
Total	10.00	1.25

4.03 Value of Import on CIF Basis, Earnings and Expenditure in Foreign Currency

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
a. Imports		
Raw materials	53.18	27.06
Stock in Trade	169.19	-
b. Expenditure in Foreign Currency		
Exhibition	5.15	3.18
Subscription charges, Freights	6.08	0.07
c. Earning in Foreign Exchange		
i) Export of Goods	32.28	192.23
ii) Export of Service	-	6.87

Disclosure of Foreign Currency Exposure and Derivative Instruments:

Detail of Foreign Currency Exposure that is not hedge by derivative instrument or otherwise as on 31st March, 2024 are as under:

(Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended			
	31-Mar-24		31-Mar-23	
	FC (USD)	AMOUNT	FC (USD)	AMOUNT
Advance from Customers	-	-	-	-
Advance to Suppliers	15,510.00	12.93	-	-
Payable to Supplier against import of Stock in Trade	1,16,848.80	97.39		
Payable to Supplier against import of Services	3,064.00	2.55		
Receivable against export of goods	14,326.50	11.94	22,626.50	18.59

6 Other statutory information

- (a) The Company does not own any immovable property.
- (b) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (c) The Company do not have any transactions with companies struck off.
- (d) During the reporting period there is no fresh loan taken/Squared off by the Company, therefore disclosure with regard to pending charge creation or satisfaction is not applicable to the Company.
- (e) The company has not entered into any scheme of arrangement during the current year and previous year.
- (f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (g) The Company has complied with the number of layers prescribed under the Companies Act 2013.
- (h) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (i) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (j) The Company have not any such transaction which is not recorded in the books of accounts that 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.

- (k) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.
- (l) Disclosures required for MSME payments (similar to Sec 22 of MSME Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises) not been done.

7 Change in Accounting Policy

During the year ended 31st March, 2024, Company has rectified its Depreciation policy on intangible Assets from WDV method to SLM method as per AS -26 "Intangible Assets" and corrected the life estimate of office equipment from 15 years to 5 years and accordingly it resulted in reversal of Excess depreciation.

8 Pending Capital Commitment and Contingent Liability

"A) Pending Capital Commitment - :

During the period ended 31st March 2024, Company has entered into a land purchase agreement for Rs 1500.00 Lakhs, and with respect to the same, pending capital commitment is to the tune of Rs 1350.00 Lakhs.

B) BG Issued and Outstanding - :

During the period ended 31st March, 2024, Company has given Financial/Performance Bank Guarantee to the tune of Rs 106.53 (Rs in Lakhs) to its customers.

9 Realisation

In some cases debit or credit balances of parties in respect of Sundry debtors, sundry creditors are subject to confirmation. In the opinion of the Board, the current Assets, Loans and Advances are of the Value stated if realized in ordinary course of business. The provision for all known Liabilities as adequate and not in excess of the amount reasonably required.

(The notes referred to above form an integral part of the Financial Statements)

As Per Our Report as on Even Date Attached

For R K Jagetiya & Co. Chartered Accountants ICAI F.R.No. 146264W	For and on behalf of the board of directors Sona Machinery Limited	
CA Ravi K Jagetiya Proprietor M.No.: 134691 Place : New Delhi Date: 28th May, 2024	Vasu Naren Chairman & MD DIN No. 06915821	Shweta Baisla CFO & WTD DIN No. 09652443
	Supriya Company Secretary M.no. A57314	Place : New Delhi Date: 28th May, 2024

OTHER FINANCIAL RATIO FOR THE FY 2023-24 (ANNEXURE-A)

Ratio	31-Mar-24	31-Mar-23	Variance	Reason for Variance above 25%
Current Ratio (No of Times)	3.88	1.28	203.82%	Mainly due to IPO Proceeds lying in ESCROW Account as on 31.03.2024
Debt Equity Ratio (No of Times)	0.01	0.22	-93.40%	Reduction in Debt and increase in Equity
Debt Service Coverage Ratio (No of Times)	18.47	4.35	324.22%	Due to increase in Profit during the FY 2023-24
Return On Equity Ratio (%)	27.28%	102.78%	-73.46%	Due to Increase in Networth, however no such substantial increase NP after tax in this year
Inventory Turnover Ratio (In Days)	59	26	129.78%	Holding level of inventory not in proportion to increase in sales
Trade Receivable Turnover Ratio (In Days)	30	23	27.15%	Improvement in Credit period of Customer vis-à-vis sales achieved
Trade Payable Turnover Ratio (In Days)	61	49	24.68%	Not Applicable
Net Capital Turnover Ratio (No Of Times)	3.13	28.49	-89.06%	Reduced rotation of Average working capital as compared to previous years.
Net Profit Ratio (%)	10.98%	9.48%	15.82%	Not Applicable
Return On Capital Employed (%)	21.48%	79.09%	-72.84%	Due to Increase in Networth and comparatively less increase in profit
Return On Investment/Total Assets (%)	6.86%	0.00%	NA	Not Applicable

- (1) Current Ratio = Current Assets / Current Liabilities.
- (2) Debt- equity ratio = Total debt / Shareholders' equity.
- (3) Debt service coverage ratio = EBITDA/(Principal + Interest).
- (4) Return on equity ratio= Net profit after taxes / Avg Shareholder's Equity.
- (5) Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
- (6) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
- (7) Trade payables turnover ratio=Purchase/Average trade payables.
- (8) Net Capital turnover ratio=Net sales/Average working capital.
- (9) Net profit ratio=Net profit after taxes/Total Revenue.
- (10) Return on capital employed=Earnings before interest and taxes/Capital employed.
- (11) Return on investment/Total Assets=PAT/Total Assets."

Note:
 Except Ratio Sr. No 5,6, and 7, Ratio for the period ended 31st August, 2023 is not annualized
 Details of numerator and denominator for the above ratio are as under

OTHER FINANCIAL RATIO FOR THE FY 2023-24

Amount In Rs. Lakhs

Ratio Analysis	Numerator	31-Mar-23	31-Mar-23	Denominator	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24
1. Current Ratio (Current Assets/Current Liabilities)	Current Assets			Current Liabilities				
	Trade Receivables	953.16	594.05	Creditors for goods & services	1,117.47	907.13		
	Cash and Bank balances	4,585.49	663.19	Short term borrowings	48.79	150.94		
	Short Term Loans and Advances	349.45	213.72	Any other current liabilities	593.89	382.07		
	Inventory	1,221.97	526.88	Short Term Provisions	203.82	131.92		
	Any other current assets	501.37	7.52					
	Current Investments	0	0					
		7,611.45	2,005.37		1,963.96	1,572.06	3.88	1.28
2. Debt Equity Ratio (TOL/NW)	Total Liabilities			Shareholder's Equity				
	Total Debt	96.50	252.60	Total Shareholders Equity	6,544.50	1,131.03	0.01	0.22
3. Debt Service Coverage Ratio (NOI/Debt Obligation)	Net Operating Income			Debt Service				
	Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets, etc.	1,191.38	886.12	Current Debt Obligation (Interest & Principal Repayment.	64.51	203.53	18.47	4.35
4. Return on Equity Ratio (Profit for Equity/Average NW)	Profit for the period			Avg. Shareholders Equity				
	Net Profit after taxes - preference dividend (if any)	1,046.76	767.85	(Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	3,837.77	747.11	27.28%	102.78%
5. Inventory Turnover Ratio (In Days) (COGS/Average Inventory)	Cost of Goods sold			Average Inventory				
	(Opening Stock + Purchases) – Closing Stock	5,374.27	5,063.12	(Opening Stock + Closing Stock)/2	874.43	358.51	59.39	25.85
6. Trade Receivables Turnover Ratio(In Days) (Credit Sales/Average AR)	Net Credit Sales			Average Trade Receivables				
	Credit Sales	9,529.71	8,096.63	(Beginning Trade Receivables + Ending Trade Receivables) / 2	773.61	516.94	29.63	23.30
7. Trade Payables Turnover Ratio (In Days) (Credit Purchases/Average AP)	Total Purchases			Average Trade Payables				
	Annual Net Credit Purchases	6,069.35	5,399.85	(Beginning Trade Payables + Ending Trade Payables) / 2	1,012.30	722.34	60.88	48.83
8. Net Capital Turnover Ratio (Net Sales/Average Working Capital Gap)	Net Sales			Average Working Capital				
	Total Sales - Sales Return	9,529.71	8,096.63	Current Assets - Current Liabilities	3,040.39	284.15	3.13	28.49
9. Net Profit Ratio	Net Profit			Net Sales				
	Profit After Tax	1,046.76	767.85	Sales	9,529.71	8,096.63	10.98%	9.48%
10. Return on Capital employed	EBIT			Capital Employed *				
	Profit Before Tax + Interest Cost	1,421.21	1,082.47	Total Equity +Long term loan+short term loan-DTA+DTL	6,614.97	1,368.65	21.48%	79.09%
11. Return on Investment	Income From Investment	19.89	-	Total Non Current and Current Investment	290.00	402.78	6.86%	0.00%