

Independent Auditor's Report

To the Members of SONMIL INDUSTRIES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion :

We have audited the accompanying financial statements of **SONMIL INDUSTRIES PRIVATE LIMITED** (*"the Company"*) which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2023, and its profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion :

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



Emphasis of matter

We draw attention to Note 1.1 of the Significant accounting policies, where the Board of Directors of the Company has approved and company has become the wholly owned subsidiary of Chalet Hotels Limited, with an appointed date of 23rd March 2023.

Our opinion is not qualified in respect of these matters.

Information other than the Financial Statements and Auditor's Report thereon :

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard



Responsibility of Management for the Standalone Financial Statements :

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements :

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



2. As part of an audit in accordance with Standards on Auditing, 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 control systems in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



4. 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.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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, based on our audit we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate Report in "Annexure B".



- (g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and according to the information and explanations given to us, provisions of Section 197 are not applicable to a Private Limited Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company has no pending litigations which will create any impact on its financial position in its financial statements.
 - (ii) The Company does not have any material foreseeable losses for which a provision may be necessary.
 - (iii) There were no amounts that 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 it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("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 it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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 audit procedures which we 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 (a) and (b) contain any material mis-statement.
- (v) The Company has not declared or paid Dividend during the year therefore reporting under Section 123 of the Companies Act is not applicable.

For **M. G. VED & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 111337W



M. Kapadia

MAYUR KAPADIA
[PROPRIETOR]

Membership No. 114454

UDIN : 23114454BGTTMY6622

Place : Mumbai

Date : 4th May, 2023

Annexure A to the Independent Auditor's Report to the members of Sonmil Industries Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sonmil Industries Private Limited of even date).

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.;
 - (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed 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, the title deeds of immovable properties are held in the name of the Company.
 - (d) 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 revalued any of its Property, Plant and Equipment (including right of use assets) during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no proceedings initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The nature of business of the Company does not require it to have any inventory. Accordingly, clause 3(ii)(a) of paragraph 3 of the said Order is not applicable to the Company.



- (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 been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company has not made any investments in, nor provided any guarantee or security or granted any loans or advances to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section(1) of Section 148 of the Companies Act, in respect of the activities carried on by the company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues, including goods and service tax, income tax and any other material statutory dues, as applicable, with the appropriate authorities in India. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of goods and service tax, income tax and any other material statutory dues which have not been deposited by the Company on account of any disputes.



- viii. 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 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 and on the basis of our examination of records of the company, the company has not taken any loans from financial institutions and therefore reporting of repayments of such loans under this clause is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures and hence, reporting under clause 3 (ix) (e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures and hence, reporting under clause 3 (ix) (f) of the Order is not applicable.
- x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause 3 (x) (a) of the Order is not applicable to the Company and hence not commented upon.
- (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 as per requirements of the section 42 and section 62 of the Companies Act, 2013. Accordingly, clause 3(x)(b) of the Order is not applicable.



- xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2004 with the Central Government during the year.
- (c) No whistle-blower complaint has been received during the year by the Company and hence, reporting under clause 3 (xi) (c) of the Order is not applicable
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) (a) to (c) of the Order are not applicable to the company and hence not commented upon.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.(a) Based on information and explanations given to us and on the basis of our audit procedures, the Company does not have a formal Internal audit system . However, in our opinion, the Company has adequate internal controls, commensurate with the size and nature of its business.
- (b) In our opinion and based on the information and explanations provided to us, the Company is not required to have internal audit system as per section 138 of the Act. Accordingly, clause 3(xiv) of the order is not applicable to the Company.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.



- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year. Accordingly, clause 3(xvii) of the Order is not applicable.
- xviii. There has been no resignation of the statutory auditor of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For **M. G. VED & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 111337W



Mayur Kapadia

MAYUR KAPADIA
[PROPRIETOR]

Membership No. 114454

UDIN : 23114454BGTTMY6622

Place : Mumbai

Date : 4th May, 2023

Annexure B to the Independent Auditor's Report to the members of Sonmil Industries Private Limited

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sonmil Industries Private Limited of even date).

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

We have audited the internal financial controls over financial reporting of Sonmil Industries Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the ~~standalone~~ financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



Auditors' Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting :

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting :

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

Opinion :

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

For **M. G. VED & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 111337W



Mayur Kapadia

MAYUR KAPADIA
[PROPRIETOR]

Membership No. 114454

UDIN : 23114454BGTTMY6622

Place : Mumbai

Date : 4th May, 2023

Sonmil Industries Private Limited

Balance Sheet

as at March 31, 2023

	Notes	As at March 31, 2023	As at March 31, 2022	(Rs. in Lakhs) As at April 1, 2021
ASSETS				
Non-current assets				
Property, plant and equipment	2	67.06	65.05	70.78
Financial assets				
(i) Other investments	3	56.31	75.38	75.40
(ii) Others	4	0.92	3.54	4.28
Non-current tax assets (net)		0.02	14.45	31.11
Total non current assets		124.31	158.42	181.57
Current assets				
Financial assets				
(i) Trade receivables	5	4.11	6.40	11.14
(ii) Cash and cash equivalents	6	100.31	63.28	60.20
(iii) Other Current Assets	7	-	-	1.34
Total current assets		104.42	69.68	72.68
TOTAL ASSETS		228.73	228.10	254.25
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8	30.08	30.08	30.08
Other equity	9	183.68	184.59	208.33
Total equity		213.76	214.67	238.41
Non current liabilities				
Financial liabilities				
(i) Others	10	-	-	2.60
Deferred tax liabilities (net)	11	12.00	11.24	10.98
Total non current liabilities		12.00	11.24	13.58
Current liabilities				
Financial liabilities				
(i) Other financial liabilities	12	2.73	-	-
Other current liabilities	13	0.24	2.19	2.26
Total current liabilities		2.97	2.19	2.26
TOTAL EQUITY AND LIABILITIES		228.73	228.10	254.25

Significant Accounting Policies

Notes to the Ind AS Financial Statements

2-24

The notes referred to above form an integral part of the Ind AS financial statements

As per our audit report of even date attached.

For M G Ved & Co

CHARTERED ACCOUNTANTS

Firm Regn. No. 111337W

For and on behalf of the Board of Directors of

SONMIL INDUSTRIES PRIVATE LIMITED

(CIN : U67120MH1976PTCO18883)



MAYUR KAPADIA

(Proprietor)

Membership No. 114454





Milind Wadekar

Director

(DIN 08627229)



Sanjay Sethi

Director

(DIN 00641243)

Mumbai
04-May-23

Mumbai
04-May-23

Mumbai
04-May-23

Sonmil Industries Private Limited

Statement of Profit and Loss

for the year ended March 31, 2023

	Notes	For the year ended March 31, 2023	(Rs. in Lakhs) For the year ended March 31, 2022
Revenue from operations	14	8.50	6.00
Other income	15	23.11	11.43
Total income (A)		31.61	17.43
Expenses			
Employee benefits expense	16	3.44	2.74
Other expenses	17	9.14	17.84
Total expenses (B)		12.58	20.58
Earnings before interest, depreciation, amortisation and tax (EBITDA) (C) (A-B)		19.03	(3.15)
Depreciation and amortisation expenses	2	2.43	2.67
Profit/(Loss) before tax (D)		16.60	(5.82)
Tax expense (E)		17.51	17.92
Current Tax (Including Earlier years)	11	3.95	17.66
Deferred tax		0.76	0.26
MAT Credit w/off		12.80	-
Loss for the year (F) (D-E)		(0.91)	(23.74)
Other comprehensive income/(expense)			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		-	-
Income tax on above		-	-
Other comprehensive income for the year, net of tax (G)		-	-
Total comprehensive (expense)/income for the year (H) (F+G)		(0.91)	(23.74)
Earnings per equity share			
Basic and diluted earnings per share	18	(3.04)	(78.91)
Significant Accounting Policies	1		
Notes to the Ind AS Financial Statements	2-24		

The notes referred to above form an integral part of the Ind AS financial statements.

As per our audit report of even date attached.

For M G Ved & Co
CHARTERED ACCOUNTANTS
Firm Regn. No. 111337W



MAYUR KAPADIA
(Proprietor)
Membership No. 114454




Milind Wadekar
Director
(DIN 08627229)



Sanjay Sethi
Director
(DIN 00641243)

Mumbai
04-May-23

Mumbai
04-May-23

Mumbai
04-May-23

**For and on behalf of the Board of Directors of
SONMIL INDUSTRIES PRIVATE LIMITED**
(CIN : U67120MH1976PTCO18883)

Sonmil Industries Private Limited

Statement of Cash Flows

for the year ended March 31, 2023

	(Rs. in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	16.60	(5.82)
Adjustments for :		
Interest income from instruments measured at amortised cost	(1.53)	(1.41)
Depreciation and amortisation	(2.43)	(2.67)
Profit on sale of fixed assets(net)		
Profit on sale of investments	(19.01)	(3.98)
Dividend Received	(2.08)	(1.77)
Bad Debts written off	-	3.68
Total	(25.05)	(6.15)
Operating Profit before working capital changes	(8.45)	(11.97)
Adjustments:		
Increase in trade receivables and loans and advances	4.91	3.14
Increase in liabilities and provisions	0.78	(2.66)
Total	5.69	0.48
Direct taxes paid (net)	(2.32)	(1.00)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	(5.09)	(12.49)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(7.31)	-
Proceeds from sale of fixed assets	7.73	8.40
Proceeds from sale of investments	38.08	4.00
Dividend received	2.08	1.77
Interest income received	1.53	1.41
NET CASH GENERATED /(USED IN) FROM INVESTING ACTIVITIES (B)	42.11	15.58
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and finance charges paid	-	-
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	37.02	3.09
CASH AND CASH EQUIVALENTS - OPENING BALANCE	63.29	60.20
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	100.31	63.29
		(Rs. in Lakhs)
	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents	100.31	63.29
Cash and cash equivalents as per statement of cash flows	100.31	63.29

The notes referred to above form an integral part of the Ind AS financial statements.

As per our audit report of even date attached.
For M G Ved & Co

CHARTERED ACCOUNTANTS

Firm Regn. No. 111337W



MAYUR KAPADIA

(Proprietor)

Membership No. 114454

Mumbai
04-May-23




Milind Wadekar
Director
(DIN 08627229)

Mumbai
04-May-23

For and on behalf of the Board of Directors of
SONMIL INDUSTRIES PRIVATE LIMITED
(CIN : U67120MH1976PTCO18883)


Sanjay Sethi
Director
(DIN 00641243)

Mumbai
04-May-23

Sonmil Industries Private Limited
Statement of Changes in Equity

	(Rs. in Lakhs)			
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021	
(a) Equity share capital	30.08	30.08	30.08	
Balance at the beginning of the reporting year	30.08	30.08	30.08	
Balance at the end of the reporting year	30.08	30.08	30.08	
(b) Other equity				
Balance at March 31, 2022				
Total comprehensive income for the year				
(Loss) for the year	-	-	-	(0.91)
Remeasurements of defined benefits plan (net of tax)	-	-	-	-
Total comprehensive income for the year	4.75	21.68	5.46	183.67
Balance at March 31, 2023	4.75	21.68	5.46	183.67
Balance at April 1, 2021				
Total comprehensive income for the year				
Profit for the year	-	-	-	(23.74)
Remeasurements of defined benefits plan (net of tax)	-	-	-	-
Total comprehensive income for the year	4.75	21.68	5.46	184.59
Balance at March 31, 2022	4.75	21.68	5.46	184.59
Capital Reserve				
Securities Premium Account	4.75	21.68	5.46	184.59
General reserve				
Retained earnings				
Total				

As per our audit report of even date attached.

For **M G Ved & Co**
CHARTERED ACCOUNTANTS
Firm Regn. No. 111337W



M. G. Ved

MAYUR KAPADIA
(Proprietor)
Membership No. 114454

Mumbai
04-May-23

For and on behalf of the Board of Directors of
SONMIL INDUSTRIES PRIVATE LIMITED
(CIN : U67120MH1976PTCO18883)

Milind Wadekar

Milind Wadekar
Director
(DIN 08627229)

Mumbai
04-May-23

Sanjay Sethi

Sanjay Sethi
Director
(DIN 00641243)

Mumbai
04-May-23

Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

1.1 Reporting entity

Sonmil Investments Private Limited is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company owns a Hotel in Khandala. The company derives its income from Consultancy, Business Service Centre, Interest and Dividend. The entire shareholding of the Company was taken over by Chalet Hotels Limited on March 23, 2023 and accordingly, the Company has become the wholly owned subsidiary of Chalet Hotels Limited w.e.f. March 23, 2023 on the basis of control.

1.2 Significant accounting policies

A. Basis of preparation and presentation

The Ind AS Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act. The Ind AS Financial Statements upto year ended March 31, 2022 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP"

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity financial position, financial performance and its cash flows is provided in Note 21.

i. Basis of measurement

The Standalone Ind AS Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Functional and presentation currency

The Ind AS Financial Statements is presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest Lacs with two decimals, unless otherwise indicated.

iii. Use of estimates and judgements

While preparing the Ind AS Financial Statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

Use of estimates and judgements (*continued*)

exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement, estimates and assumptions are required in particular for:

- **Recognition of deferred tax assets**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.

iv. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19 – Financial instruments

B. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the Balance Sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the Balance Sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

C. Revenue

a. Operation

Revenue is recognized on accrual basis.

b. Other Income

Other incomes are generally accounted as and when they are accrued on mercantile basis, except for Interest on Income tax refund which is accounted on receipt basis.

D. Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

E. Employee benefits

Gratuity and leave encashment is accounted on payment basis

F. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or in the OCI.

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss.



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intentions to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

G. Investments

Long-term investments are stated at cost of acquisition. Diminution in value of such long term investments is not provided for except where determined to be of permanent nature. Current investments are stated at lower of cost or fair market value



Sonmil Industries Private Limited
Notes to the Ind AS Financial Statements
Significant accounting policies (Continued)

H. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Transition to Ind AS

For transition to Ind AS, the Company has elected to apply Ind AS 16 retrospectively to its property, plant and equipment and use that carrying value as its deemed cost.

iv. Depreciation

The Company provides depreciation on property, plant and equipment's on Straight Line Method. The asset shall be depreciated over its useful life as given in Annexure I as per part "C" of schedule II of the Companies Act 2013 except in respect of the following categories of assets in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc. :

Asset Type	Useful Life		Schedule II
	March 2022	March 2021	
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery			} 15 Years
- Food and beverages and Kitchen equipment	8 Years	8 Years	
- Audio video equipment	5 Years	5 Years	
- Laundry equipment, DG set, HVAC system, Elevators, Fire fighting system, - Others	15 Years	15 Years	
- Others	14 Years	14 Years	
Electrical installations	14 Years	14 Years	10 Years
Office Equipments			} 5 Years
- Mobile phones	2 Years	2 Years	
- Others	4 Years	4 Years	
Vehicles	5 Years	5 Years	6 Years
Carpet	7 years	7 Years	NA
Furniture and Fixtures	10 Years	10 Years	8 Years
Computer software	4 Years	4 Years	NA



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

I. Financial Instruments

1. Financial assets

(a) *Recognition and initial measurement*

Trade receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) *Classification and subsequent measurement*

The Company classifies its financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

(i) *Financial assets measured at amortised costs*

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the Statement of Profit and Loss. Any impairment loss arising from these assets are recognised in the Statement of Profit and Loss.

(ii) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which do not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss.

(iii) Financial assets measured at fair value through other comprehensive income (FVOCI)

- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies *(Continued)*

a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

(d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables- The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. Financial liabilities

(a) Recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost includes loan and borrowings, interest free security deposit, interest accrued but not due on borrowings, Retention money payable, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Company's financial liabilities at fair value through profit or loss includes derivative financial instruments.



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies (*Continued*)

(b) Derecognition

The Company derecognises financial liabilities when its contractual obligations are discharged or cancelled or have expired.

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

J. Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

K. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

L. Earnings Per Share (“EPS”)

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

M. Earnings before interest and depreciation and amortisation (“EBITDA”)

The Company presents EBITDA in the Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Ind AS Financial Statements when such presentation is relevant to an understanding of the Company’s financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements

Significant accounting policies *(Continued)*

Measurement of EBITDA

Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) including other income. In its measurement, the Company does not include depreciation and amortisation expense and tax expense.



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

Particulars	(Rs. in Lakhs)		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Note 3			
Other investments			
Measured at fair value through profit and loss			
Investments in equity shares (non-trade, quoted, unquoted)			
In other companies (equity shares of Rs.10/- each fully paid)			
Nil (March 31, 2022: 100, April 1, 2021: 100) equity shares of CPEC Limited	-	0.06	0.06
Nil (March 31, 2022: 25, April 1, 2021: 25) Shares of Kirloskar Pneumatic Co Limited	-	0.05	0.05
Nil (March 31, 2022: 1,500, April 1, 2021: 1,500) Shares of Elecon Engineering Co Limited	-	0.08	0.08
Nil (March 31, 2022: 645, April 1, 2021: 203,181) shares of Nirlon Synthetics Fibres & Chemicals Limited	-	0.06	0.06
Nil (March 31, 2022: 18,780, April 1, 2021: 18,780) ONGC Limited	-	15.65	15.65
Nil (March 31, 2022: 3,040, April 1, 2021: 3,040) Suzlon Energy Limited	-	3.10	3.10
Nil (March 31, 2022: Nil, April 1, 2021: 10) Sadhana Textile Mills Private Limited	-	-	0.02
Nil (March 31, 2022: 12, April 1, 2021: 12) shares of Reliance Industries Limited	-	0.06	0.06
4,000 (March 31, 2022: 4,000, April 1, 2021: 4,000) shares of The Dukes Retreat Private Limited	56.31	56.31	56.31
1 (March 31, 2022: 1, April 1, 2021: 1) shares of Bombay Mercantile Co-operative Bank Limited*	0.00	0.00	0.00
	56.31	75.38	75.40
*Rs is less than lakhs			
Aggregate amount of unquoted securities	56.31	56.31	56.33
Aggregate amount of quoted securities	-	19.07	19.07
Market value of quoted securities	-	23.37	14.18
Aggregate amount of impairment in the value of investments	-	-	-



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

Particulars	(Rs. in Lakhs)		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Note 4			
Other non-current financial assets			
Security deposit			
- Others	0.92	1.61	1.61
Other loans and advances (Unsecured, considered good)	-	1.93	2.67
	<u>0.92</u>	<u>3.54</u>	<u>4.28</u>

Note 5

Trade receivables

(Unsecured, considered good, unless otherwise stated)

Trade receivables	4.11	6.40	11.14
Less: Allowance for doubtful trade receivables	-	-	-
Considered good	<u>4.11</u>	<u>6.40</u>	<u>11.14</u>
Trade receivables	-	-	-
Less: Allowance for doubtful trade receivables	-	-	-
Trade Receivables which have significant increase in Credit Risk	<u>-</u>	<u>-</u>	<u>-</u>
Trade receivables	-	-	-
Less: Allowance for doubtful trade receivables	-	-	-
Credit Impaired	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4.11</u>	<u>6.40</u>	<u>11.14</u>

As at March 31, 2023

Particulars	Outstanding for following periods from date of Invoice					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	4.11	-	-	-	-	4.11
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	4.11	-	-	-	-	4.11

As at March 31, 2022

Particulars	Outstanding for following periods from date of Invoice					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	6.40	-	-	-	-	6.40
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	6.40	-	-	-	-	6.40

As at March 31, 2021

Particulars	Outstanding for following periods from date of Invoice					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	11.14	-	-	-	-	11.14
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	11.14	-	-	-	-	11.14

Note 6

Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Balance with banks			
- Current accounts	100.31	11.27	8.19
Bank Deposit	-	52.00	52.00
Cash on hand	-	0.01	0.01
	<u>100.31</u>	<u>63.28</u>	<u>60.20</u>

Cash and cash equivalents and bank balances includes balances in escrow account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

	As at March 31, 2023	As at March 31, 2022	(Rs. in Lakhs) As at April 1, 2021
Note 7			
Other Current Assets			
Others	-	-	1.34
	<u>-</u>	<u>-</u>	<u>1.34</u>
Note 9			
Other equity			
Capital reserve	4.75	4.75	4.75
Securities premium account			
Securities premium account balance at the beginning of the year	21.68	21.68	21.68
At the end of the year	21.68	21.68	21.68
General reserve			
General reserve balance at the beginning of the year	5.46	5.46	5.46
At the end of the year	5.46	5.46	5.46
Retained earnings			
Retained earnings balance at the beginning of the year	152.70	176.44	173.61
Add: Profit/ (loss) for the year	(0.91)	(23.74)	2.83
At the end of the year	<u>151.79</u>	<u>152.70</u>	<u>176.44</u>
	<u>183.68</u>	<u>184.59</u>	<u>208.33</u>

Nature and purpose of reserves :

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserves.

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

General reserve

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Note 10

Other non-current financial liabilities

Interest Payable	-	-	2.60
	<u>-</u>	<u>-</u>	<u>2.60</u>

Note 12

Other current financial liabilities

Others	2.73	-	-
	<u>2.73</u>	<u>-</u>	<u>-</u>

Note 13

Other current liabilities

Statutory dues payable	0.24	2.19	2.26
	<u>0.24</u>	<u>2.19</u>	<u>2.26</u>

Statutory dues payable include TDS payable, provident fund payable, indirect taxes payables, etc.



Sonmil Industries Private Limited

Notes to the Ind AS financial statements (Continued) as at March 31, 2023

Note 8

Share capital

(Rs. in Lakhs)

(a) Details of the authorised, issued, subscribed and paid-up share capital as below:

Particulars	March 31, 2023	March 31, 2022	April 1, 2021
(i) Authorised			
31,000 (March 31, 2022: 31,000, April 1, 2021: 31,000) equity shares of the par value of Rs. 100 each	31.00	31.00	31.00
(ii) Issued, subscribed and paid-up			
30,082 (March 31, 2022: 30,082 April 1, 2021: 30,082) equity shares fully paid up	30.08	30.08	30.08
Issued during the year			
Total	30.08	30	30.08

(b) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	March 31, 2023		March 31, 2022		April 1, 2021	
	Number	Amount	Number	Amount	Number	Amount
Number of equity shares outstanding at the beginning and end of the year	30,082	30.08	30,082	30.08	30,082	30.08
Total	30,082	30.08	30,082	30.08	30,082	30.08

(c) Registered shareholder holding more than 5% equity shares in the Company is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022		April 1, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sadhana S.Thakker	-	-	9,131	30.35%	9,131	30.35%
Milind S Thakker	-	-	1,944	6.46%	1,944	6.46%
Sonali Thakker	-	-	15,342	51.00%	15,342	51.00%
Importex International Private Ltd	-	-	3,665	12.19%	3,665	12.19%
Chalet Hotels Limited	30,081	99.99%	-	-	-	-
Chalet Hotels Limited jointly with Neel Raheja	1	0.01%	-	-	-	-
	30,082	100%	30,082	100%	30,082	100%

In cases where certain shareholders hold equity shares jointly with other persons, the name of the primary beneficiary has been specified.

(d) Rights, Preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The equity shareholders are eligible for dividend when recommended by the Board of Directors and approved by the Shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



Sonmil Industries Private Limited

Notes to the Ind AS financial statements (Continued) as at March 31, 2023

(Rs. in Lakhs)

Note 11

Tax expense

(a) Amounts recognised in Statement of Profit and Loss.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax expense	3.95	17.66
Deferred tax credit	0.76	0.26
MAT Credit w/off	12.80	-
Tax expense for the year	17.51	17.92

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	-	-	-
	-	-	-	-	-	-

(c) Amounts recognised directly in equity

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred income tax asset, net	-	-

(d) Reconciliation of effective tax rate for continuing operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	16.60	(5.82)
Group's domestic tax rate	26.00%	26.00%
Tax using the Company's domestic tax rate	4.32	(1.51)
Tax effect of:		
Expenses not allowed under tax	0.33	1.28
Income not taxable in Income tax	4.04	15.55
MAT Credit Entitlement of earlier year	12.34	12.34
Others	(3.51)	(9.73)
	17.52	17.93



Sonmil Industries Private Limited

Notes to the Ind AS financial statements (Continued) as at March 31, 2023

(Rs. in Lakhs)

Note 11

Tax expense

(e) Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2023

	Net balance April 1, 2022	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance March 31, 2023
Property, plant and equipment	11.24	0.76			12.00
Deferred tax assets/(liabilities)	11.24	0.76	-	-	12.00

Movement in deferred tax balances for the year ended March 31, 2022

	Net balance April 1, 2021	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance March 31, 2022
Deferred tax asset/(liabilities)					
Property, plant and equipment	10.98	0.26			11.24
Deferred tax assets/(liabilities)	10.98	0.26	-	-	11.24



Sonmil Industries Private Limited
Notes to the Ind AS Financial Statements (Continued)
for the year ended March 31, 2023

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 14		
Revenue from operations		
Other operating revenues:		
- Business Service Centre and Damage Charges	8.50	6.00
	8.50	6.00
Note 15		
Other income		
Interest Income on Fixed Deposits	1.53	1.41
Dividend received	2.08	1.77
Lease rent received	0.40	0.81
Profit on sale of investments	19.01	3.98
Interest on Income Tax Refund	0.09	-
Miscellaneous income	-	3.46
	23.11	11.43
Note 16		
Employee benefits expense		
Salaries, wages and bonus	3.44	2.74
	3.44	2.74
Note 17		
Other expenses		
Power and fuel	2.94	5.62
Repairs and maintenance		
- Plant and machinery	0.63	-
- Others	0.19	-
Insurance	0.09	0.09
Rates and taxes	0.53	0.60
Legal and professional charges	2.90	1.73
Bad debt written off	-	3.68
Loss on sale of property plant and equipments	0.36	3.83
Payment to auditors*	0.50	0.40
Miscellaneous expenses	1.00	1.89
	9.14	17.84

Payment to auditors*

Particulars	March 31, 2023	March 31, 2022
Audit fees	0.50	0.40
Tax audit fees	-	-
Amount debited to statement of profit and loss	0.50	0.40



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

Note 18

(Rs. in Lakhs)

Earnings per share

Particulars	March 31, 2023	March 31, 2022
<i>Basic and diluted earnings per share for ordinary shareholders.</i>		
1 Loss attributable to ordinary shareholders	(0.91)	(23.74)
2 Calculation of weighted average number of equity shares - basic and diluted		
(a) Number of shares at the beginning of the year	30,082	30,082
Number of equity shares outstanding during the year	30,082	30,082
3 Basic and diluted earnings per share (Rs.)	(3.04)	(78.91)
4 Nominal value of shares (Rs.)	10.00	10.00



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements (Continued) as at March 31, 2023

Note 19

Financial instruments - Fair values and risk management

(Rs. in Lakhs)

as at March 31, 2023

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable

March 31, 2023	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Non-current financial assets								
Investment in equity shares	56.31	-	-	56.31	-	-	56.31	56.31
Others	-	-	0.92	0.92	-	0.92	-	0.92
Current financial assets								
Trade receivables	-	-	4.11	4.11	-	-	-	-
Cash and cash equivalents	-	-	100.31	100.31	-	-	-	-
	56.31	-	105.34	161.65	-	0.92	56.31	57.23
Non-current financial liabilities								
Other non-current financial liabilities	-	-	-	-	-	-	-	-
Current financial liabilities	-	-	2.73	2.73	-	-	-	-
	-	-	2.73	2.73	-	-	-	-

March 31, 2022	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Non-current financial assets								
Other non-current investments	-	-	75.38	75.38	-	75.38	-	75.38
Others	-	-	3.54	3.54	-	3.54	-	3.54
Current financial assets								
Trade receivables	-	-	6.40	6.40	-	-	-	-
Cash and cash equivalents	-	-	63.28	63.28	-	-	-	-
	-	-	148.60	148.60	-	78.92	-	78.92



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements (Continued) as at March 31, 2023

Note 19

Financial instruments - Fair values and risk management

(Rs. in Lakhs)

as at March 31, 2023

(A) Accounting classification and fair values

April 1, 2021	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Non-current financial assets								
Investment in equity shares	56.38	-	-	56.38			56.38	56.38
Other non-current investments	-	-	19.02	19.02		19.02		19.02
Others			4.28	4.28				
Current financial assets								
Trade receivables	-	-	11.14	11.14				
Cash and cash equivalents	-	-	60.20	60.20				
	56.38	-	94.64	151.02		19.02	56.38	75.40
Non-current financial liabilities								
Other non-current financial liabilities	-	-	2.60	2.60		2.60		2.60
	56.38	-	97.24	153.61		21.62		78.00

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date for

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk;
- Market risk;

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

Note 19

(Rs. in Lakhs)

Financial instruments – Fair values and risk management

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

(a) Trade receivables from customers

The Company does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments, the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Particulars	March 31, 2023	March 31, 2022	April 1, 2021
(a) Trade Receivables considered good - Secured;			
(b) Trade Receivables considered good - Unsecured;			
Less than 6 months	4.11	6.40	11.14
more than 6 months	-	-	-
Total	4.11	6.40	11.14
(c) Trade Receivables which have significant increase in Credit Risk; and	6.04	-	-
(d) Trade Receivables - credit impaired	-	-	-

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	March 31, 2023	March 31, 2022	April 1, 2021
Balance as at April 1	-	-	-
Impairment loss recognised / (reversed)	-	-	-
Amounts written off	-	-	-
Balance as at	-	-	-

(b) Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

(c) Other financial assets

Other financial assets are neither past due nor impaired.



Sonmil Industries Private Limited

Notes to the Financial Statements (Continued)
as at March 31, 2023

(Rs. in Lakhs)

Note 19

Financial instruments – Fair values and risk management (Continued)

(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(D) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivative to manage market risk.

(E) Currency risk

There is no currency risk to the Company since there are no foreign currency transactions.

(F) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Particulars of outstanding interest rate swaps as at

March 31, 2023	Nil
March 31, 2022	Nil
April 1, 2021	Nil

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

	Profit or loss before tax	
	100 bps increase	100 bps decrease
March 31, 2023	-	-
March 31, 2022	-	-

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.



Sonmil Industries Private Limited
Notes to the Ind AS financial statements (Continued)
as at March 31, 2023

Note 20

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

Relationship	Name of party		
	March 31, 2023	March 31, 2022	April 1, 2021
Key Managerial Personnel / Relative (KMP)	Sadhana Thakkar (upto 22 March 2023) Sonali Thkkar (Upto 22 March 2023) Sanjay Sethi (wef 23 March 2023) Milind Wadekar (wef 23 March 2023) Karuna Nasta (WEF 23 March 2023)	Sadhana Thakkar Sonali Thkkar	Sadhana Thakkar Sonali Thkkar
Enterprises Controlled/ Jointly controlled by KMPs	The Dukes Retreat Private Ltd Belaire Hotels Private Limited Chalet Airport Hotel Private Limited Chalet Hotels & Properties (Kerala) Private Limited Chalet Hotels Limited Seapearl Hotels Private Limited	The Dukes Retreat Private Ltd	The Dukes Retreat Private Ltd



Sonmil Industries Private Limited

Notes to the Ind AS financial statements (Continued) as at March 31, 2023

Note 20

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related party disclosures for year ended March 31, 2023

(Rs. in Lakhs)

Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations & Other Income Balances outstanding as at the year-end				8.90
2	Trade receivables				4.11

Significant transactions with material related parties for year ended March 31, 2023

Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations & Other Income The Dukes Retreat Private Ltd	-	-		8.90
2	Trade receivables The Dukes Retreat Private Ltd	-	-		4.11

Related party disclosures for year ended March 31, 2022

(Rs. in Lakhs)

Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations & Other Income Balances outstanding as at the year-end				6.81
2	Trade receivables				2.40

Significant transactions with material related parties for year ended March 31, 2022

Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations & Other Income The Dukes Retreat Private Ltd	-	-		6.81
2	Trade receivables The Dukes Retreat Private Ltd	-	-		2.40



Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations Balances outstanding as at the year-end				6.00
2	Trade receivables				6.46

Significant transactions with material related parties for year ended March 31, 2021

Sr.no	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Revenue from Operations The Dukes Retreat Private Ltd				6.00
2	Trade receivables The Dukes Retreat Private Ltd				6.46



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements (Continued) as at March 31, 2023

Note 21

First Time Adoption

A. Reconciliation between previous GAAP and Ind AS

(Rs. in Lakhs)

(I) Reconciliation of equity as at March 31, 2022

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		65.05	-	65.05
Financial assets				
(i) Other investments		75.38	-	75.38
(iii) Others		3.54	-	3.54
Non-current tax assets (net)		14.45	-	14.45
Total non current assets		158.42	-	158.42
Current Assets				
Financial assets				
(i) Trade receivables		6.40	-	6.40
(ii) Cash and cash equivalents		63.28	-	63.28
Total current assets		69.68	-	69.68
TOTAL ASSETS		228.10	-	228.10
EQUITY AND LIABILITIES				
Equity				
Equity share capital		30.08	-	30.08
Other equity		184.59	-	184.59
Total equity		214.67	-	214.67
Liabilities				
Non current liabilities				
Financial liabilities				
(i) Others		-	-	-
Deferred tax liabilities (net)		11.24	-	11.24
Total non-current liabilities		11.24	-	11.24
Current liabilities				
Financial liabilities				
(iii) Other financial liabilities		-	-	-
Other current liabilities		2.19	-	2.19
Total current liabilities		2.19	-	2.19
TOTAL EQUITY AND LIABILITIES		228.10	-	228.10

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

(II) Reconciliation of total comprehensive income for the year 2021-22

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Revenue				
Revenue from operations		6.00	-	6.00
Other income		11.43	-	11.43
Total revenue		17.43	-	17.43
Expenses				
Employee benefits expense		2.74	-	2.74
Other expenses		17.84	-	17.84
Total expenses		20.58	-	20.58
Earnings before interest, depreciation, amortisation and tax (EBITDA)		(3.15)	-	(3.15)
(C) (A-B)				
Depreciation and amortisation expenses		2.67	-	2.67
Profit before tax (D)		(5.82)	-	(5.82)
Tax expense (E)				
Current Tax		17.66	-	17.66
Deferred tax		0.26	-	0.26
MAT Credit w/off		-	-	-
Loss for the year (H) (F-G)		(23.74)	-	(23.74)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit liability	5	-	-	-
Income tax related to items that will not be reclassified to profit or loss	9	-	-	-
Total comprehensive income for the year (J) (H+I)		(23.74)	-	(23.74)

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements (Continued) as at March 31, 2023

Note 21

First Time Adoption

A. Reconciliation between previous GAAP and Ind AS

(Rs. in Lakhs)

(III) Reconciliation of equity as at March 31, 2021

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
(Rs. in Lakhs)				
ASSETS				
Non-current assets				
Property, plant and equipment		70.78	-	70.78
Other intangible assets				
Financial assets				
(i) Other investments		75.40	-	75.40
(iii) Others		4.28	-	4.28
Non-current tax assets (net)		31.11	-	31.11
Total non current assets		181.57	-	181.57
Current Assets				
Financial assets				
(i) Trade receivables		11.14	-	11.14
(ii) Cash and cash equivalents		60.20	-	60.20
(iii) Other Current Assets		1.34	-	1.34
Total current assets		72.68	-	72.68
TOTAL ASSETS		254.25	-	254.25
EQUITY AND LIABILITIES				
Equity				
Equity share capital		30.08	-	30.08
Other equity		208.33	-	208.33
Total equity		238.41	-	238.41
Liabilities				
Non current liabilities				
Financial liabilities				
(i) Others		2.60	-	2.60
Deferred tax liabilities (net)		10.98	-	10.98
Total non-current liabilities		13.58	-	13.58
Current liabilities				
Financial liabilities				
(iii) Other financial liabilities		2.26	-	2.26
Total current liabilities		2.26	-	2.26
TOTAL EQUITY AND LIABILITIES		254.25	-	254.25

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note
Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive

(IV) Impact of Ind AS adoption on the statement of cash flows

There were no material differences between the Statement of Cash Flows and cash flow statement under previous GAAP.

(V) Notes to first time adoption:

1 Fair valuation of land treated as deemed cost

On the date of transition the Company has chosen to reflect the fair value of all freehold land as of April 1, 2021 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively. The impact of both these adjustments has been considered through retained earnings and corresponding assets/liabilities, as appropriate. The fair value has been determined with reference to residual value approach which also involves determining the business value of the respective hotel building. The fair value so determined is categorised as Level 3 in accordance with the requirements of Ind AS 113. The key unobservable inputs used for determination of the fair value referred to above includes the rate used for discounting (12.10%) and growth rate (5%).

2 Deferred tax

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, indexation benefit on investment property, fair value of investments which were not required to be considered under the income statement approach.

Further, under the previous GAAP, deferred tax asset on carry forward business losses and unabsorbed depreciation was recognised only on existence of virtual certainty of taxable profits. The application of Ind AS 12 approach has resulted in recognition of deferred tax assets in case of reasonable certainty. The deferred tax impact of all Ind AS adjustments (as applicable) has also been considered.



Sonmil Industries Private Limited

Notes to the Ind AS Financial Statements (Continued)

as at March 31, 2023

Note 21

First Time Adoption

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the financial statements for the year ended March 31, 2023, March 31, 2022 and the opening Ind AS balance sheet on the date of transition i.e. April 1, 2021.

In preparing its Balance Sheet as at April 1, 2021 and in presenting the comparative information for the year ended March 31, 2022, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 **Property, plant and equipment**

On the date of transition the Company has chosen deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively.

2 **Classification and measurement of financial assets and financial liabilities**

Ind AS 101 requires an entity to assess classification of financial assets and financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets and financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets and financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

3 **Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.



Note 22
Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance (more than 25%)
Current ratio	Current Assets	Current Liabilities	35.11	31.86	10%	
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	(0.03)	(0.79)	-96%	Due to decrease in loss ratio has improved
Net Capital Turnover Ratio	Revenue from operations	Working capital = (Current assets – Current liabilities)	0.08	0.09	-6%	
Net Profit ratio	Net Profit	Total Income	(0.04)	(2.08)	-98%	Due to decrease in loss ratio has improved
Return on Capital Employed	EBIT	Average Capital Employed	0.07	(0.02)	-402%	Due to decrease in loss ratio has improved
Return on Investment	Net Profit	Gross block of PPE	(0.01)	(0.35)	-96%	Due to decrease in loss ratio has improved

Note 23
Details of Struck Off Companies
As at 31 March 2023

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
NIL	Investments in securities Receivables Payables Other outstanding balances (to be specified)	- - - -	

As at 31 March 2022


Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
NIL	Investments in securities Receivables Payables Other outstanding balances (to be specified)	- - - -	

Note 24

Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

As per our audit report of even date attached


For M G Ved & Co
CHARTERED ACCOUNTANTS
Firm Regn. No. 111337W


MAYUR KAPADIA
(Proprietor)
Membership No. 114454



For and on behalf of the Board of Directors of
SONMIL INDUSTRIES PRIVATE LIMITED
(CIN : U67120MH1976PTCO18883)


Milind Wadekar
Director
(DIN 08627229)


Sanjay Sethi
Director
(DIN 00641243)

Mumbai
04-May-23

Mumbai
04-May-23

Mumbai
04-May-23