



# RATNAVEER

**RATNAVEER PRECISION ENGINEERING LIMITED  
(FORMERLY KNOWN AS RATNAVEER METALS LIMITED)**

**BOARD'S REPORT**

To,  
The Members

The Directors are pleased to present the 22nd Annual Report together with Audited Financial Statements of Ratnaveer Precision Engineering Limited (formerly known as Ratnaveer Metals Limited) ("the Company") for the Financial Year ended March 31, 2023.

**01. FINANCIAL HIGHLIGHTS:**

[Rs. In Lakhs]

Particulars	FY 2022-23	FY 2021-22
Net Sales/ Income from Operation	47974.81	42693.84
Other Income	139.71	153.40
<b>Total Income</b>	<b>48114.52</b>	<b>42847.24</b>
Profit before interest, Depreciation & Tax	4702.18	2897.17
Less Interest (Financial Cost)	1229.25	1167.09
Depreciation	401.73	393.69
<b>Profit/Loss Before Exceptional Item &amp; Tax Exp.</b>	<b>3077.20</b>	<b>1336.39</b>
Add/Less Exceptional Items	0	0
<b>Profit/Loss Before Tax</b>	<b>3077.20</b>	<b>1336.39</b>
Less Previous years Adjustments	13.50	36.09
Provision for Current & Deferred	553.30	352.70
<b>Net Profit/Loss after tax</b>	<b>2504.40</b>	<b>947.60</b>
<b>Total Comprehensive Income/loss</b>	<b>1.30</b>	<b>(8.82)</b>
<b>Total</b>	<b>2503.10</b>	<b>956.40</b>
Add: Balance carried from Profit & Loss A/c	0	0
Less: Provision for earlier year taxation	0	0
<b>Net Profit/Loss after tax and adjustments</b>	<b>2503.10</b>	<b>956.40</b>
<b>Transferred to general Reserve</b>	<b>0</b>	<b>0</b>
Balance carried to the balance sheet	2503.10	0
<b>EPS (Basic &amp; Diluted)</b>	<b>7.26</b>	<b>2.75</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

(Formerly Known as RATNAVEER METALS LIMITED)

Plant : E-77, G.I.D.C. Savli (Manjusar), Dist. Vadodara, - 391776, (Gujarat) India  
Office : 703 & 704, "Ocean", Vikram Sarabhai Campus, Vadi Wadi, Vadodara-390023.

P : ☎ +91 2667 264594 / 264595

O : ☎ +91 - 84878 76075

CIN : U27108GJ2002PLC040488

Web : www.ratnaveer.com

## **02. COMPANY PERFORMANCE**

During the year under review, the Company has achieved net sales revenue of Rs.47974.84 Lacs as compared to 42693.84 lacs in the previous year. The Profit before Tax (PBT) increased to 3077.20 lacs as compared to Rs. 1336.39 lacs in the previous year and Profit after Tax (PAT) increased to Rs. 2503.10 lacs as compared to Rs. 956.40 lacs in the previous year. Financial Year 2022-23 proved successful for the Company in all the business aspects.

The Board of Directors are happy to inform you that the Company has filled DRHP on 26.01.2023 and has received in principal approvals from both the stock exchanges i.e. BSE & NSE.

During the year, the Company has been changed its name from Ratnaveer Metals Limited to Ratnaveer Precision Engineering Limited w.e.f from 01.11.2022 and obtained fresh certificate of incorporation from the office of Registrar of Companies, Gujarat.

## **03. CHANGE IN CAPITAL STRUCTURE**

During the year, the Company through Private Placement by way of Preferential Allotment has issued and allotted 1,82,000 equity shares of Rs. 10/- per share at a price of Rs. 535/- per equity share (inclusive of premium of Rs.525/- per equity share) with the consent of the members at their meeting held on 27.12.2022 and 88,180 equity shares of Rs. 10/- per share at a price of Rs. 575/- per equity share (inclusive of premium of Rs.565/- per equity share) by getting consent of members at their meeting held on 04.01.2023.

The Company has also issued and allotted 3,03,61,660 as Bonus Shares on 12.01.2023 at a ratio of 1:7.

As a result, as on date of this report, the total paid up equity Share capital of the Company as at 31.03.2023 is 34,699,040 Equity Shares of Rs. 10/- each.

Further, during the year under consideration, Mr. Vijay Ramanlal Sanghavi has waived his right of dividend with respect to Cumulative Convertible Preference Share of the Company. Further, with the consent of the said preference shareholders, the revised dividend rate is 0%. The company appreciated the support extended by Mr. Vijay Singhavi for waiting his right on dividend due and also for reduction of rate of dividend on the preference shares.

## **04. Re-classification of Promotor & Promotor group of the Company**

During the year under review Mrs. Seema Sanghavi spouse of Mr. Vijay Ramanlal Sanghavi has been reclassified from promoter to promoter group category. Hence, as on the date Mr. Vijay Ramanlal Sanghavi is the only promoter of the Company and accordingly necessary disclosure in the Read Hearing Prospectus (RHP) and Annual Return to be made..

## **05. STATE OF COMPANY'S AFFAIRS AND REVIEW OF BUSINESS OPERATIONS & FUTURE PROSPECTS:**

The Board of Directors are happy to inform you that the Company has maintained the financial position as per the target. We are one of the leading producers of a highest range of S.S. Fastener Industry related products viz. Stainless Steel Washers, Solar Panel Hooks, Tubes, Finished Sheets and Sheet Metal Products. We have been exporting to various Countries like USA, UK, Germany, France, Italy, Netherlands, Portugal, Spain, Switzerland, Austria etc, Each of the Company's Products undergo various examinations at different stages of production. We are focusing to build long lasting customer relationship which will make us preferred supplier.

In present business scenario, the Company is exploring better growth and will be able to maintain it by following global standards. However, the Company needs to spread its wings and its portfolio by adding new products for emerging amongst new global suppliers.

**06. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business during the financial year ended 31.03.2023.

**07. DIVIDEND:**

The Board has not recommended Dividend for the current financial year mainly due to conservation of Profits for the future growth of the Company.

**08. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review, no amount required to be transferred to Investors Education Protection Fund (IEPF) as the Company has not declared any dividend in past.

Your Company has appointed Mr. Prerna Rajesh Trivedi, Company Secretary, Compliance Officer and also as Nodal Officer of the Company. Details of the same is available on the websites of the Company at <http://www.ratnaveer.com>

**09. RESERVES:**

The Company has transferred an amount of Rs. 1060538032/- to General Reserve.

**10. MATERIAL CHANGES AND COMMITMENT**

The Company has not made any material changes or commitments which affect the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of signing of this report.

However, the Company has filed Draft Red Herring Prospectus for issuance of Equity Shares through Initial Process Offering (IPO) process and the Company has obtained in Principal approval from NSE & BSE (Stock Exchanges). The Company is under process of filing UDRHP/Red Herring Prospectus (RHP) with SEBI for its approval.

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

During the year, no significant and material order was passed by the Regulators or courts or Tribunals impacting the going concern status and Company's operation in future. The company has moved six applications before Adjudicating officer to adjudicate the contravention of sections as stated below. The hearing in the matter is yet to be held before the Adjudicating office at Ahmedabad.

Sr. No.	Contravention of Section under Companies Act, 2013	Nature of Contraventions
1	Section 149	Contravention of Section 149 of the Companies Act, 2013 in respect of requirement of appointing minimum no of Independent Directors
2	Section 177	Contravention of Section 177 of the Companies Act, 2013 in respect of Requirement of Constitution of Audit Committee for a period from October 2018 to May 2022
3	Section 178	Contravention of Section 178 of the Companies Act, 2013 in respect of Requirement of Constitution of Nomination and Remuneration Committee for a period from October 2018 to May 2022
4	Section 196(4) read with Section 197(4)	Contravention of Section 196(4) read with Section 197(4) of the Companies Act, 2013 in respect of position held by Mr. Vijay Ramanlal Sanghavi as Managing Director and drawing managerial remuneration during the period from 01st June, 2021 to 31st May, 2022 without obtaining consent of the Board and Shareholders
5	Section 203	Contravention of Section 203 of the Companies Act, 2013 in respect of Requirement of Appointment of Whole time Company Secretary for a period from December 2002 to December 2018
6	Section 150 read with rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014	Contravention of Section 150 of the Companies Act, 2013 read with rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 in respect of Non selection of Independent Director from Data Bank.

## 12. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 an Annual Return (MGT-7) as on March 31, 2023 is available on the Company's website on <http://www.ratnaveer.com>

## 13. BOARD OF DIRECTORS MEETINGS:

During the Financial Year ended 31st March, 2023 the Board met Twenty times. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Directors has confirmed that notice of all the Board Meeting with detailed Agenda has been received by all the directors of the Company.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors Attended	% of Attendance
1	02.04.2022	4	4	100%
2	12.05.2022	6	6	100%
3	18.05.2022	6	6	100%
4	16.06.2022	6	6	100%
5	05.07.2022	5	5	100%
6	22.08.2022	5	5	100%
7	07.09.2022	6	6	100%
8	26.09.2022	6	6	100%
9	12.10.2022	6	6	100%

10	02.11.2022	6	6	100%
11	16.11.2022	6	6	100%
12	28.11.2022	6	6	100%
13	06.12.2022	6	3	50%
14	17.12.2022	6	3	50%
15	27.12.2022	6	3	50%
16	04.01.2023	6	5	83%
17	12.01.2023	6	5	83%
18	26.01.2023	6	5	83%
19	27.02.2023	6	4	67%
20	09.03.2023	6	4	67%

#### 14. COMMITTEE MEETINGS:

##### 1. AUDIT COMMITTEE

During the Financial Year ended 31st March, 2023, the Audit Committee met Nine times. The members has confirmed that notice of all Audit Committee Meeting with detailed Agenda has been received by all the members' of the Committee. The Board has accepted all the recommendation given by the Audit Committee as it is.

Sr. No.	Date of Audit Committee Meeting	Total Number of Directors as on the date of Meeting	Attendance	
			No. of Directors/ Members Attended	% of Attendance
1	12.05.2022	6	3	100 %
2	05.07.2022	5	3	100 %
3	22.08.2022	5	3	100 %
4	07.09.2022	6	3	100 %
5	02.11.2022	6	3	100 %
6	16.11.2022	6	3	100 %
7	12.01.2023	6	3	100 %
8	27.02.2023	6	3	100 %
9	09.03.2023	6	3	100 %

##### 2. NOMINATION & REMUNERATION COMMITTEE (NRC)

During the Financial Year ended 31st March, 2023 the NRC Committee met Four times. The members has confirmed that notice of all NRC Committee Meeting with detailed Agenda has been received by all the members of the NRC Committee. The Board has accepted all the recommendation, if any, given by the NRC Committee.

The details with respect to Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of a director and other matters are provided in policy is available on the Company's website on <http://www.ratnaveer.com>

Sr. No.	Date of NRC Committee Meeting	Total Number of Directors as on the date of Meeting	Attendance	
			No. of Directors/ Members Attended	% of Attendance
1	12.05.2022	6	3	100 %
2	05.07.2022	5	3	100 %
3	07.09.2022	6	3	100 %
4	09.03.2023	6	3	100 %

### **3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

During the Financial Year ended 31st March, 2023 the CSR Committee met one time. The members has confirmed that notice of all CSR Committee Meeting with detailed Agenda has been received by all the members of the CSR Committee. The Board has accepted all the recommendation given by the CSR Committee.

Sr. No.	Date of CSR Committee Meeting	Total Number of Directors as on the date of Meeting	Attendance	
			No. of Directors/ Members Attended	% of Attendance
1	12.05.2022	6	3	100 %

### **4. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)**

During the Financial Year ended 31st March, 2023 the SRC Committee of the Board of Directors met one time. The members has confirmed that notice of all SRC Committee Meeting with detailed Agenda has been received by all the members of the SRC Committee. The Board has accepted all the recommendation given by the SRC Committee.

Sr. No.	Date of SRC Committee Meeting	Total Number of Directors as on the date of Meeting	Attendance	
			No. of Directors/ Members Attended	% of Attendance
1	09.03.2023	6	3	100 %

### **15. GENERAL MEETING**

During the Financial Year ended 31st March, 2023 Annual general meeting of the Company was held on 29.09.2022 and an Extra-Ordinary General Meeting of the was held on 16.04.2022, 30.05.2022, 12.10.2022, 08.11.2022, 23.11.2022, 30.11.2022, 19.12.2022, 28.12.2022, 05.01.2023, 31.03.2023

### **16. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statements that:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **17. DECLARATION OF INDEPENDENT DIRECTOR:**

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed / continued as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

The Board is of the opinion that the all Directors including the Independent Directors of the Company possess requisite qualifications, experience and expertise in their relative fields like science and technology, strategy, finance, governance, human resources, safety, sustainability, etc. and that they hold highest standards of integrity.

#### **18. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND ITS PERFORMANCE AND FINANCIAL POSITION:**

The Company does not have any subsidiary, joint venture or associate Company.

#### **19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188:**

All the related party transactions were entered into by the Company during the financial year were on an arm's length basis and in the ordinary course of business. All the Transactions with related parties were entered by the Company in the normal course of business and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure "A"**.

#### **20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the year under review the Company has granted Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 to M/s. Aryan Stainless Private Limited amounting not exceeding Rs. 5 Crores and necessary E-Forms to that effect has been submitted to the MCA portal by the Company. The loan tenure is for a period of 5 years and the said loan carry interest @ 12% per annum and upon such terms and conditions as may be mutually agreed upon. The loan shall be repayable on completion of 5 years or upon with early re-payment subject to availability of fund. Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements and forms a part of this Report.

#### **21. PUBLIC DEPOSITS:**

The Company has not accepted any fixed deposits, within the meaning of section 73 of the companies Act 2013, Read with the Companies (Acceptance of Deposits) Rules, 2014 during the period under review. The Company has taken unsecured loan of Rs.10,21,26,023/- from Mr. Vijay Ramanlal Sanghavi, Promoter and Managing Director of the Company.

#### **22. IMPLEMENTATION OF RISK POLICY**

The company has appointed an internal auditor, whose terms of reference among other things include the evaluation of Internal Control Systems and inform the management of probable lapses. The Audit Committee and the Board of directors have from time to time also identified the risks and opportunities.

This practice seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures. The Company has laid down procedures to inform Audit Committee as well as the Board of Directors about the risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitor and control risks.

### **23. SHARE CAPITAL AND DISCLOSURE THEREOF:**

The Authorised Share Capital of the Company as on date of Balance Sheet is Rs. 53,00,00,000/- divided into 5,00,00,000/- equity shares of Rs.10/-each and 30,00,000 Preference Shares of Rs. 10/- each

The paid up share capital of the company as on date of balance sheet is Rs. 36,54,90,400/- divided into 3,46,99,040 equity Shares of Rs.10/- and 18,50,000 Preference shares of Rs.10/-each.

During the year under consideration, the Authorised Share Capital of the Company got increased from Rs. 8,00,00,000/- to Rs. 53,00,00,000 by passing Ordinary resolution in the Extra Ordinary General Meeting held on 8th November, 2022.

Clause V of the Company has been altered vide special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th December, 2022 for variation in rights if preference shares from 9 % non-cumulative redeemable preference shares to 0 % non-cumulative redeemable preference shares of the Company.

#### **A. BUY BACK OF SECURITIES:**

The Company has not bought back any of its securities during the year under review.

#### **B. SWEAT EQUITY:**

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

#### **C. BONUS SHARES:**

During the year under review the Company at its meeting held on 12.01.2023 has approved the allotment of 3,03,61,660 equity shares of Rs. 10/- each as Bonus shares to the existing equity share holders of the Company in the ratio of 1:7.

#### **D. EMPLOYEES STOCK OPTION PLAN:**

The Company has not issued any shares under any Stock Option Scheme to the employees.

### **24. DIRECTORS & KEY MANAGERIAL PERSONNEL AND CHANGE THEREIN**

As on 31 March 2023, the following persons have been designated as Director and Key Managerial Personnel of the Company pursuant to Section 2(51) read with Section 203 of the Act, read with the Rules framed thereunder.



Sr. No.	Name of Directors	Designation	Date of Appointment
1	Vijay Ramanlal Sanghavi	Managing Director & CFO	20.02.2002 & 07.09.2022
2	Babulal sohanlal Chaplot	Whole time Director	01.07.2019
3	Ankita Dineshbhai Soni	Independent Director	24.12.2018
4	Bharatbhai Kanchanal Shah	Independent Director	16.04.2022
5	Sreeram Vishwanathan Rishinaradamangalam	Independent Director	16.04.2022
6	Binita Verdia	Non-Executive Director	07.09.2022
7	Prerana Rajeshbhai Trivedi	Company Secretary	01.08.2022

#### Change in Director and KMP / Appointment and Reappointment

1. During the year under review, the Company has made re-appointment of Mr. Vijay Sanghavi (DIN: 00495922) as Managing Director of the Company for a period of five years effective from 01.06.2022 to 31.05.2027
2. During the year under review, the Company has made appointment of Mr. Bharatbhai Kanchanal Shah (DIN: 00587810) and Mr. Sreeram Vishwanathan Rishinaradamangalam (DIN: 09537193) as Independent Directors with effect from 16.04.2022
3. During the year under review, the Company has made appointment of Mr. Prakash Daga (DIN: 009537193) with effect from 16.04.2022 appointed as director of the Company and DR. BINITA VERDIA (DIN: 09724262) as additional director with effect from 07.09.2022 and regularized her appointment from Additional to Non- Executive Director with effect from 29.09.2022.
4. During the year under review, Mr. Prakash Daga (DIN: 009537193) has resigned from the office of Director effective from 17.06.2022.
5. During the year under review, Ms. Dimple Mehta was appointed as Company Secretary & Compliance officer of the Company and Mr. Manoj Lahoti as Chief Financial Officer of (CFO) of the Company effective from 01.04.2022.
6. Ms. Dimple Mehta has resigned from the office of Company Secretary & Compliance Officer effective from 31.07.2022 and Mr. Manoj Lahoti has resigned from Chief Financial Officer of the Company, effective from 01.07.2022
7. Ms. Prerana Trivedi is appointed as Company Secretary & Compliance Officer effective from 01.08.2022 and Mr. Vijay Sanghavi, Managing Director of the Company appointed as Chief Financial Officer the Company, effective from 07.09.2022.
8. As on 31 March 2023, the Key Managerial Personnel of the Company are Mr. Vijay Sanghavi, Managing Director & CFO of the Company, Mr. Babulal Chaplot, Wholetime Director and Ms. Prerana Trivedi Company Secretary & Compliance Officer, in accordance with Section 203 of the Companies Act, 2013.

#### 25. STATUTORY AUDITORS:

The Company has appointed the M/s. Pankaj R. Shah & Associates, Chartered Accountants, bearing (ICAI Registration Number:107361W), (Peer Review Number 013474) Ahmedabad as Statutory Auditor of the Company for a period of 5 years from conclusion of 21st Annual General Meeting of the Company till the conclusion of the Twenty Forth Annual general Meeting of the Company.

The auditors' Report does not contain any qualification, observation, disclaimer, reservation or adverse remark.

## 26. SECRETARIAL AUDITOR:

M/s. TNT & Associates, Practicing Company Secretaries, Vadodara (P.R. No. 1394/2021), was appointed as a Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2022-23 as required under Section 204 of the Companies Act, 2013 and Rules there under. The Copy of Secretarial Audit report is enclosed as **Annexure "B"** forming part of this report.

**The Secretarial Auditor has made following observation in his report**

Observation	Comments of the Board
The Company has filed certain forms after due date with additional fees	The delay in filing of certain forms mainly due to non-working of MCA site. Such delay was unintentional.

## 27. INTERNAL AUDITOR:

As per Section 138 of Companies Act 2013, the Company is required to appoint an Internal Auditor for the financial year 2022-23. The Company has appointed M/S. Bhadresh K. Mehta & Co., Chartered Accountants, Vadodara (FRN: 145205W) as Internal Auditor of the Company for conduct Internal audit of the company for the F.Y. 2022-23.

## 28. COST AUDITORS & COST RECORDS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, Your Company is required to prepare, maintain as well as to have the audit of its cost records conducted by a Cost Accountant in whole time practice and accordingly, it has made and maintained such cost accounts and records.

Pursuant to Section 148 and 139(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Ashish Bhavsar & Associates, Cost Accountant having firm registration no. 000387 has been appointed as the Cost Auditors of the Company at the meeting of the Board of Directors held on 22.08.2022 to conduct audit of cost records maintained by the Company for the year ending on 31st March, 2023.

The remuneration payable to the Cost Auditors is required to be placed before the Members for their approval. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s Ashish Bhavsar & Associates , forms part of the Notice of this Annual Report with a request to accord your consent.

## 29. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### 30. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company recognises that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfilment of its corporate responsibilities can enhance overall performance. The Company continues its CSR spend towards support to local initiatives, health/medical and education sector, sanitation/cleanliness, Rural Development and such varied activities towards Corporate Social Responsibility initiatives.

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities undertaken during the FY 2022-23 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure B**.

#### CLARIFICATION ON CSR

*In Secretarial Audit Report attached as annexure in the Annual Report for the FY 2021-22, it is stated that the Company has not transferred unspent CSR amount for the FY 20-21 to separate Bank account.*

*We clarified that our Company's CSR Obligation for FY 2020-21 was Rs.1,971,926/- whereas we have spent an aggregate sum of Rs. 24,62,000/- during the said FY 2020-21 on CSR projects, i.e. excess spending of Rs. 490,074/- which include Rs. 2,51,000 to other than ongoing projects and Rs. 22,11,000 on ongoing projects. As a result at the end of the Financial Year 2020-21, there was no amount remain unspent which need to transfer into Unspent CSR Account for the Financial Year 2020-21. The said position is also disclosed in note no. 22 of the audited financial statements of our Company for FY 2020-21. We therefore clarify t that the observation contain in the Secretarial Audit report for FY 2021-22 is incorrect.*

*We clarify that there has not been any non-compliance with regard to CSR rules We further submit that Mr. Bhautik Kanasagara, the then Secretarial Auditor has vide his letter dated March 17, 2023 confirmed that there was no amount remaining unspent which was required to be transferred to the Unspent CSR Account for the Financial Year 2020-21 and that the observation contained in Secretarial Audit report dated September 07, 2022 may be read/ modified accordingly. A copy of the said Secretarial Auditor's letter is enclosed hereto as **Annexure 'D'**.*

### 31. STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARD:

The Directors state that the Company has duly complied with applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively during F.Y 2022-23.

### 32. STATEMENT UNDER RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: Nil

There is no employee in the Company drawing remuneration aggregating to Rs. 8.50 lacs per month or above per month or Rs. 1.02 crore or above per annum.

### 33. DISCLOSURE IN RESPECT OF SCHEME FORMULATED UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013: Nil

Since the Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013.

**34. DISCLOSURES PURSUANT TO SECTION 197 (14) OF THE COMPANIES ACT, 2013:**

None of the Directors of the Company is in receipt of any commission from the Company.

**35. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

To ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a vigil mechanism policy.

The Company has established a vigil mechanism, the genuine concerns expressed by the employees and other Directors are taken up. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

**36. COMMITTEE OF THE BOARD****AUDIT COMMITTEE**

Name of the Director	Category	Designation	Date of Reconstitution
Mr. Bharat Shah	Non-Executive-Independent Director	Chairperson	17-06-2022
Mr. R V Sreeram	Non-Executive-Independent Director	Member	
Mr. Vijay Sanghavi	Managing Director	Member	

**NOMINATION AND REMUNERATION COMMITTEE**

Name of the Director	Category	Designation	Date of Constitution
Ms. Ankita Soni	Non-Executive-Independent Director	Chairperson	12-05-2022
Mr. Bharat Shah	Non-Executive-Independent Director	Member	
Mr. R V Sreeram	Non-Executive-Independent Director	Member	

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Name of the Director	Category	Designation	Date of Constitution
Mr. Bharat Shah	Non-Executive-Independent Director	Chairperson	05-07-2022
Mr. R V Sreeram	Non-Executive-Independent Director	Member	
Mr. Vijay Sanghavi	Managing Director	Member	

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Name of the Director	Category	Designation	Date of Reconstitution
Mr. R V Sreeram	Non-Executive-Independent Director	Chairperson	17-06-2022
Ms. Ankita Soni	Non-Executive-Independent Director	Member	
Mr. Babulal Chaplot	Whole time Director	Member	

**37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished

**(A) Conservation of energy: Nil**

- i. the steps taken or impact on conservation of energy;
- ii. Steps taken / impact on conservation of energy, with special reference to the following:
- iii. the capital investment on energy conservation equipment's;

**(B) Technology absorption:**

1. Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
2. The Company has not taken any technical knowhow from anyone and hence not applicable.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: Nil
4. The Company has not imported any technology and hence not applicable.
5. Expenditure incurred on Research and Development: Nil

**(C) Foreign exchange earnings and Outgo**

PARTICULARS	Amt (In Rs.)
Foreign Exchange earned in terms of FOB Value of Export during the year	92,19,09,871
Foreign Exchange outgo during the year in terms of CIF Value of Import	1,28,36,94,457

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

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company. The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Year under review the company has not received any complaints on sexual harassment.

**39. FRAUD REPORTING BY AUDITOR:**

During the financial year 2022-23, neither of the auditors viz., Statutory Auditors, Secretarial & Corporate Governance Auditors, Internal Auditors and Cost Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

**40. PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE:**

There are no such proceedings or appeals pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and at the end of the financial year.

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

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks/ Financial institutions occurred during the year.

**42. ACKNOWLEDGEMENT:**

We thank our customers, vendors, investors, bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth is made possible by their hard work, solidarity, cooperation and support.

We also thank our suppliers, customers, business partners and others associated with the Company. We look upon them as partners in its progress. It will be Company's endeavor to build and nurture strong links with the trade based on mutuality of benefits, respect to and cooperation with each other, consistent with consumer interests and looks upon all the stakeholders for their continued support in future.

**For and on behalf of the Board of Directors of  
RATNAVEER PRECISION ENGINEERING LIMITED**

**DATE: 16.06.2023  
PLACE: VADODARA**



**NAME: VIJAY RAMANLAL. SANGHAVI  
Chairman  
(DIN: 00495922)**

## Form No. AOC-2

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

**Annexure to Directors' Report for the year ended March 31, 2023**

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**  
There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2023, which were not arm's length basis.

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

(Rs.)

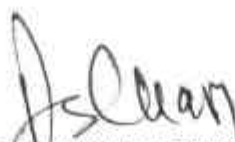
Name of related party	Nature of relationship	Duration of contract	Date(s) of approval by the Board if any*	Amount paid as advance, if any	Salient terms	Amount (₹)
<b>Nature of Contract</b>						
Vijay Ramanlal Sanghavi 1) Rent Paid 2) Interest Paid 3) Remuneration Paid	Managing Director/Key Managerial Persons	01/04/2022 to 31/03/2023	16.04.2014	None	None	1) 6,00,000 2) 86,87,702 3) 54,00,000
Babulsohanlal Chaplot 1) Remuneration Paid	Whole time Director	01/04/2022 to 31/03/2023	01.07.2019	None	None	1) 8,41,848
Seema V Sanghvi 1) Rent Paid 2) Salary Paid or Remuneration Paid	Wife of Managing Director	01/04/2022 to 31/03/2023	16.04.2014 21.03.2012	None	None	1) 6,00,000 2) 15,00,000
Briyanshi V Sanghvi 1) Salary Paid or Remuneration Paid	Daughter of Managing director	01/04/2022 to 31/03/2023	20.09.2022	None	None	1) 6,00,000
Ratnaveer Industries 1) Rent Paid	Enterprise which is own or controlled by the Managing director	01/04/2022 to 31/03/2023	16.04.2014	None	None	2) 72,00,000
Vijay Sanghvi HUF 1) Rent Paid	HUF/Member Managing director has significant Influence	01/04/2022 to 31/03/2023	16.04.2014	None	None	1) 3,00,000

\*Date of the Board Meeting at which the Contract/arrangement is first approved. Date of approval for subsequent additions/modifications is not mentioned.

For and on behalf of the Board of Directors of  
**RATNAVEER PRECISION ENGINEERING LIMITED**



**VIJAY RAMANLAL SANGHAVI**  
Managing Director  
DIN: 00495922



**BABULAL SOHANLAL CHAPLOT**  
Whole Time Director  
DIN: 03599750

Place: Vadodara  
Date: 16.06.2023



**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**RATNAVEER PRECISION ENGINEERING LIMITED**

(CIN: - U27108GJ2002PLC040488)

E- 77, G I D C, Savli (Manjusar)

Dist. Baroda - 391775, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RATNAVEER PRECISION ENGINEERING LIMITED** (“hereinafter called the **Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31<sup>st</sup> March, 2023**, (“**review period**”) complied with the statutory



provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:-

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);-
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force):
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force): - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Including any statutory modification (s) or re-enactment(s) thereof, for the time being in force): -



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover Regulations, 2011): **Not Applicable during the review period**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:- **Not Applicable during the review period**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:- **Not Applicable during the review period**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021:- **Not Applicable during the review period**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:- **Not Applicable during the review period**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares ) Regulations, 2021- **Not Applicable during the review period**

(vi) **Other applicable laws:** Based on the information provided and the representations made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

We have also examined compliance with the applicable Clauses of the following: -

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General meetings;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: - **Not applicable to the Company during the period under review;**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to following observation.

1. *The Company has filed certain forms after due date with additional fees.*

**We further report that**

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings except in some cases meeting was convened with shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of unanimously majority. There were no dissenting views by any member of the Board of Directors, during the period under review.

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

**We further report that** during the audit period, following major events have happened which is deemed to have major bearing on the Company's affairs in pursuance of above referred Laws, Rules, Regulations and Guidelines.

1. The name of the Company has been changed from Ratnaveer Metals Limited to Ratnaveer Precision Engineering Limited.
2. During the period under review, the Company has issued & allotted 1,82,000 Equity Shares of Rs.10 at Rs. 535 including premium of Rs.525 each through Private Placement and 88,180 Equity Shares of Rs.10 at Rs. 575 including premium of Rs.565 each through Private Placement.
3. During the period under review, the Company has issued 3,03,61,660 Equity Shares of Rs.10 each as Bonus Issue in the ratio of 7:1.
4. During the year under review, based on the recommendation of the Board, the Shareholders of the Company has passed a Special Resolution at Extra Ordinary General meeting held on 23.11.2022 to offer and issue Equity Shares to the public through Initial Public offering and the Company has filed Draft Red Herring Prospectus to the SEBI and Stock Exchanges.
5. During the Financial year, the Company has filed following Adjudication Applications for contravention of various Section of the Companies Act, 2013 in past
  - a) Non selection of Independent Director from Data Bank
  - b) Not appointing minimum no of Independent Directors during the period January 2020 to April 2022.
  - c) Non constitution of Audit Committee during the period from October 2018 to May 2022.
  - d) Non constitution of Nomination and Remuneration Committee during the period from October 2018 to May 2022.

- e) Contravention of Section 196(4) read with Section 197(4) of the Companies Act, 2013 in respect of position held by Mr. Vijay Ramanlal Sanghavi as Managing Director and drawing managerial remuneration during the period from 01<sup>st</sup> June, 2021 to 31<sup>st</sup> May, 2022 without obtaining consent of the Board and Shareholders.
- f) Non appointment of Whole time Company Secretary during a period from December 2002 to December 2018.

DATE : 16<sup>TH</sup> JUNE, 2023

PLACE : VADODARA



FOR AND ON BEHALF OF  
TNT & ASSOCIATES

SIGNATURE :   
NAME OF : NIRAJ TRIVEDI

PARNER

FCS NO. : 3844

C. P. NO. : 3123

PR. NO. : 3209/2023

UDIN : F003844E000665890

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



**Annexure – A**

To,

The Members,

**RATNAVEER PRECISION ENGINEERING LIMITED**

(CIN: - U27108GJ2002PLC040488)

E- 77, G I D C, Savli (Manjusar)

Dist. Baroda - 391775, Gujarat

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices we have followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

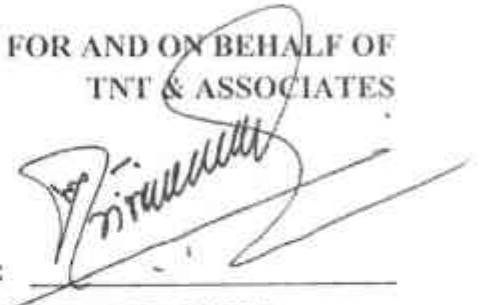


7

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



FOR AND ON BEHALF OF  
TNT & ASSOCIATES



DATE : 16<sup>TH</sup> JUNE, 2023  
PLACE : VADODARA

SIGNATURE : \_\_\_\_\_  
NAME OF : NIRAJ TRIVEDI  
PARTNER  
FCS NO. : 3844  
C. P. NO. : 3123  
PR. NO. : 3209/2023  
VDIN : F003444E000665890



**Annual Report on CSR Activities for the Financial Year 2022-23**  
**[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]**

**1. Brief outline on CSR Policy of the Company:**

We at Ratnaveer Metals Limited believe that profit has no significance if the organization does not play its role, giving back the due to the society and environment. Ratnaveer Metals Limited CSR commitments include, but are not limited to, education, healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

**2. Composition of the Corporate Social Responsibility ("CSR") Committee as on 31 March 2023:**

Sr. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. VIJAY RAMANLAL SANGHAVI	Chairman	1	1
2	Mr. BABULAL SOHANLAL CHAPLOT	Director	1	1
3	Ms. ANKITA DINESHBHAI SONI	Independent Director	1	1

**3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <http://www.ratnaveer.com/csr.html>.**

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable: Not Applicable**

**5. (a) Average net profit of the Company as per sub-Section (5) of section 135: Rs. 11,19,25,683.33/-**

**(b) Two percent of average net profit of the Company as per sub-Section (5) of section 135: Rs. 22,38,513.67/-**

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Rs. 33,353**

**(d) Amount required to be set-off for the financial year, if any: Rs.61,481/-**

**(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs.22,10,385.67/-**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of Project	Item from the list of activities in schedule VII to the Act	Local area	Location of the project.	Amount spent for the project (in	Mode of implementation - Direct	Mode of implementation - Through implementing agency.



			(Yes/No)	State	District	₹)	(Yes/No)	Name	CSR registration number
1	MAA SARASWATI MULTI-SPECIALIATY HOSPITAL CUM MEDICAL COLLEGE	Education/Health care	No	Gujarat	AHMEDABAD	Rs. 10.00 Lakh	NO	RAGINIBEN BIPINCHAN DRA SEVA KARYA TRUST	CSR00012645
2	MAA SARASWATI MULTI-SPECIALIATY HOSPITAL CUM MEDICAL COLLEGE	Education/Health care	No	Gujarat	AHMEDABAD	Rs. 11.00 Lakh	NO	RAGINIBEN BIPINCHAN DRA SEVA KARYA TRUST	CSR00012645
3	MAA SARASWATI MULTI-SPECIALIATY HOSPITAL CUM MEDICAL COLLEGE	Education/Health care	No	Gujarat	AHMEDABAD	Rs. 2.00 Lakh	NO	RAGINIBEN BIPINCHAN DRA SEVA KARYA TRUST	CSR00012645
<b>Total</b>						<b>Rs. 23.00 Lakh</b>			

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable.: Nil

(d) Total Amount spent for the Financial Year [(a)+(b)+(c)].: Rs. 23,00,000/-

(e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for set-off, if any:



Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per subsection (5) of section 135	22,38,513.67/-
(ii)	Total amount spent for the Financial Year	23,00,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	61,481/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	33,353/-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	61,481/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
NIL								

8. Whether any capital assets have creation or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.: NA

 <b>VIJAY RAMANLAL SANGHAVI</b> Director DIN: 00495922 Vadodara	 <b>BABULAL SOHANLAL CHAPLOT</b> Director DIN: 03539750 Vadodara
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# Pankaj R Shah & Associates

## Chartered Accountants

CA. DR. Pankaj Shah B.Com., F.C.A., Ph. D. (Commerce)	CA. Chintan Shah B.Com., LL.B., F.C.A.	CA. Nilesh Shah B.Com., LL.B., F.C.A.	CA. Manali Shah B.Com., F.C.A.	CA. Sandip Gupta B.Com., F.C.A.
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7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad-380015, India. Phone : +91 79 - 4603 1545, 4603 1546, 4032 1025. URL : <http://www.prsca.in>

### INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF RATNAVEER PRECISION ENGINEERING LIMITED**  
(Formerly known as RATNAVEER METALS LIMITED)

#### Report on the Audit of the IND AS financial statements

##### Opinion

We have audited the accompanying IND AS financial statements of **RATNAVEER PRECISION ENGINEERING LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and

appropriate to provide a basis for our audit opinion on the IND AS financial statements.

**Key audit matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information other than the IND AS financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the IND AS financial statements and our auditor's report thereon.

Our opinion on the IND AS 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 IND AS 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.

**Responsibilities of Management and Those Charged with Governance for the IND AS 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 IND AS 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 IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of the IND AS financial statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the 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, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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 disclosed the impact of pending litigations on its financial position in the Ind AS financial statements (Refer Note No 36 to the Ind AS financial statements.)
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (d) as proviso rule to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. 01-04-2023 for the Holding company, its subsidiaries, associates and joint venture companies incorporated in India, hence reporting under this clause is not applicable.
- (v) The company has not declared and paid any Interim dividend nor has proposed any final dividend during the previous year, and hence the question of Compliance and applicability of Section 123 of the Companies Act does not arise.

For, M/s Pankaj R. Shah & Associates

Chartered Accountants

(Registration No. 107361W)

*N. R. Shah*



CA Nilesh Shah

Partner

(Membership No. 107414)

UDIN: 23107414BGUYZ9284

Place: Ahmedabad

Date: 16-06-2023



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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **RATNAVEER PRECISION ENGINEERING LIMITED** of even date)

With reference to the Annexure A, referred to in the Independent Auditors Report to the members of the Company on the IND AS financial statements for the year ended on 31<sup>st</sup> March 2023 , we report following :

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the property, plant and equipment are physically verified in a phased manner by the management during the year , which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. 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 other than the self constructed property 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 and intangible 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, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year other than for stock lying at Port and Goods in Transit. In our opinion the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in aggregate for each class on physical verification of inventory as compared to the book records.
- (b) The Company has been sanctioned working capital limits (including fund based and non fund based limits) in excess of Rs. Five crores in aggregate from banks on the

- basis of security of the current assets. Quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the company.
- iii. 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 investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii) (a), (c), (d), (e) and (f) of the order are not applicable.
- iv. 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 investment or given guarantee or security during the year under review. Accordingly clause 3(iv) of the order is not applicable.
- v. The Company has not accepted any deposits from the public during the year under review. Accordingly, clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed under sub section (1) of section 148 of Companies Act, 2013, we are of the opinion that prima facie, the prescribed accounts & records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
- (a) The company does not have liability in respect of Service Tax, Duty of excise, Sales tax and value added tax during the year since effective 1<sup>st</sup> July 2017, these statutory dues has been subsumed in to Goods & Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, ESIC, income-tax, duty of customs, Goods & Service Tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, ESIC, income tax, duty of customs, Goods & Service Tax, cess and other material statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date it became payable

- (b) According to the information and explanations given to us, there are no material dues of Goods & Service Tax, which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax, and Sales Tax have not been deposited by the company on account of dispute:

Statue	Nature of the Dues	Financial Year to which the matter relates	Forum where the matter is pending	Amount ( in Rs in lakhs) (Net of payment)
<b>GUJARAT SALES TAX ACT</b>				
a)	Sales Tax	2003-04	Gujarat VAT - Tribunal	0.43
b)	Sales Tax	2008-09		0.84
c)	Sales Tax	2008-09		0.50
d)	Sales tax	2012-13		21.75
e)	Sales tax	2013-14		11.93
f)	Sales tax	2013-14		7.85
g)	Sales tax	2014-15		22.85
h)	Sales tax	2014-15		22.85
i)	Sales tax	2015-16		92.96
j)	Sales tax	2015-16	Gujarat VAT - Tribunal	52.49
k)	Sales tax	2016-17	Gujarat VAT - Tribunal	16.77
l)	Sales tax	2016-17		7.93
m)	Sales tax	2017-18		3.26
n)	Sales tax	2017-18		1.22
<b>INCOME TAX ACT, 1961</b>				
a)	Income Tax	2008-09	CIT A, Ahmedabad -12	0.99
b)	Income Tax	2010-11	CIT A, Ahmedabad -12	5.55
c)	Income Tax	2012-13	CIT A, Ahmedabad -12	376.83
d)	Income Tax	2018-19	CIT A, Ahmedabad -12	616.86
<b>CESTAT</b>				
a)	Customs	2019-20	Tribunal	153.55
b)	Customs	2019-20	Tribunal	16.93

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to information & explanations given to us, the company has not defaulted in repayment of loans or borrowings or in the payment of interest to Banks and financial institutions. The company does not have any borrowings from debenture holders or Government.
- (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 declared wilful defaulter by any bank or financial institution or government or any government authority
- (c) In our opinion and according to the information and explanations given to us by the management, term loans obtained during the year by the company have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, The company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no fraud by the Company

- or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, 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 Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not required.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 3(xvi)(a) and 3(xvi) (b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India. Accordingly, 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken in to consideration the issues, objections or concerns raised by the outgoing auditors.

- xix. According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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. In our opinion and according to the information and explanations give to us , there is no unspent amount under sub-section (5) of Section 135 of the Companies Act,2013 pursuant to any project .Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable.
- xxi As the company does not have any subsidiary associates or joint venture clause (xxi) is not applicable to the company and hence not applicable to company.

For, M/s Pankaj R. Shah & Associates

Chartered Accountants  
(Registration No. 107361W)

N. R. Shah



CA Nilesh shah  
Partner  
(Membership No. 107414)  
UDIN: 23107414BGUYZ9284  
Place: Ahmedabad  
Date: 16-06-2023

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RATNAVEER PRECISION ENGINEERING LIMITED of even date) **Report on the Internal Financial Controls Over Financial Reporting 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 **RATNAVEER PRECISION ENGINEERING LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

**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 authorisations of management and directors of the company; and (3)

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

For, M/s Pankaj R. Shah & Associates

Chartered Accountants  
(Registration No. 107361W)

*N. R. Shah*



CA Nilesh shah  
Partner

(Membership No. 107414)  
UDIN: 23107414BGUYZ9284  
Place: Ahmedabad  
Date: 16-06-2023



## RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

### RATIO ANALYSIS

(Rs in Million)

PARTICULARS	For Year ended 31-March-2023	Year ended 31-Mar-2022	% To Sales (CV)	% To Sales (PY)
<b>TOTAL INCOME (A)</b>	<b>4,811</b>	<b>4,285</b>		
Sale of Products	4,797	4,268	99.71	99.64
Other Income	14	15		
Cost of Materials Consumed	3,623	3,550	81.54	82.84
Employee benefit expense	79	76	1.64	1.82
<b>Direct Expenses</b>	<b>240</b>	<b>242</b>	<b>4.99</b>	<b>5.65</b>
Manufacturing and other Expense				
Stores & Spares Consumed	94	80	1.95	1.87
Packing Material Consumed	13	12	0.28	0.28
Repairs and maintenance - Machinery	4	1	0.09	0.03
Repairs and maintenance - Building	-	1	-	0.01
Repairs and maintenance - Others	1	3	0.02	0.06
Electricity expenses	65	73	1.36	1.70
Labour charges	62	73	1.30	1.71
<b>GP</b>	<b>569</b>	<b>415</b>	<b>11.83</b>	<b>9.68</b>
<b>% to GP</b>	<b>11.83</b>	<b>9.68</b>		
Rent, Rates and Tax	18	17	0.37	0.38
Printing & Stationery	1	1	0.02	0.01
Selling & Distribution Expenses	53	72	1.09	1.68
Factory Expenses	3	4	0.06	0.09
Insurance Expense	3	3	0.06	0.06
Travelling, Conveyance and Vehicle Expenses	4	5	0.09	0.11
Postage & Telephone expenses	1	0	0.01	0.01
Legal & Professional expenses	9	14	0.18	0.32
General Expenses	1	8	0.02	0.18
Loss on Sale of Vehicle	-	-	-	-
Net loss on account of foreign exchange fluctuation	3	-	0.06	-
Corporate Social Responsibility (CSR) Expenses	4	2	0.09	0.09
Payments to the auditors	0	0	0.01	0.01
<b>Other expenses</b>	<b>99</b>	<b>124</b>	<b>2.06</b>	<b>2.90</b>
Other Income	-	-	-	-
<b>EBITDA</b>	<b>479</b>	<b>291</b>	<b>9.77</b>	<b>6.78</b>
Interest & Financial Charges	123	117	2.55	2.72
Depreciation and amortization Expenses	40	39	0.83	0.92
<b>PBT</b>	<b>307</b>	<b>135</b>	<b>6.38</b>	<b>3.14</b>
Exceptional Items	-	-	-	-
Tax Expense	57	40	1.18	0.93
<b>PAT</b>	<b>250</b>	<b>95</b>	<b>5.21</b>	<b>2.21</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

CIN: U27168GJ2002PLC040488

Standalone Statement of Assets and Liabilities

( Rs in Million)

Particulars	Note	As at: 31-03-2023	As at: 31-03-2022
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
Property Plant & Equipment	5.1	348.02	327.93
Capital work-in-progress	5.2	88.04	88.71
Intangible assets	5.3	152.07	78.90
Financial Assets			
Non-current investments			
Other Financial Assets	6	18.71	15.88
Deferred Tax Assets (net)		-	-
Other Non-Current Assets	7	13.43	25.81
		<b>628.27</b>	<b>486.12</b>
<b>2 Current assets</b>			
Inventories	8	2,058.20	1,712.83
Financial Assets			
Trade receivables	9	833.72	802.89
Cash and cash equivalents	10	2.30	2.00
Bank Balance other than above	11	301.38	184.05
Loans			
Other Financial Assets	12	1.61	3.17
Current Income Tax	13	272.37	284.36
Other current assets			
		<b>3,259.70</b>	<b>2,600.20</b>
<b>TOTAL ASSETS</b>		<b>3,888.48</b>	<b>3,086.32</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share capital	14	348.04	42.87
Other Equity	15	711.60	817.12
Share Application Money			
		<b>1,060.64</b>	<b>859.74</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	340.04	308.07
Deferred tax liabilities (net)	17	47.06	31.87
		<b>387.10</b>	<b>337.74</b>
<b>3 Current liabilities</b>			
Financial Liabilities			
Borrowings	18	1,958.85	1,801.20
Trade payables	19		
Total Outstanding dues of Micro and Small Enterprise		4.07	-
Total Outstanding dues of creditors other than Micro and small Enterprise		370.20	412.89
Other Financial Liabilities	20	-	3.35
Other Current Liabilities	21	50.04	33.14
Current Tax Liabilities (Net)	22	32.89	19.92
Short-Term Provisions	23	24.83	18.52
		<b>2,442.85</b>	<b>2,086.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,888.48</b>	<b>3,086.32</b>
The accompanying notes are integral part of these financial statements	1 - 88		

Significant Accounting Policy

1-4

As per our report of even date attached  
For Pankaj R Shah & Associates  
Chartered Accountants  
Firm Regn. No. 107381W

**N. R. Shah**  
CA Nilesh Shah  
Partner  
Membership No. - 107414  
UDIN:23107414BGUYYZ9284



for and on behalf of Board of Directors of  
RATNAVEER PRECISION ENGINEERING LIMITED  
( Formerly Known As RATNAVEER METALS LIMITED )  
CIN: U27168GJ2002PLC040488

**H. B. Chhaplot**  
Whole Time Director  
DIN: 03539780

**Vijay R Sanghavi**  
Managing Director & CFO  
DIN: 00498322

**Pretans Trivedi**  
Company Secretary  
M.no. A37478



Place: Ahmedabad  
Date: 18-06-2023

Place: Vadodara  
Date: 15-06-2023

<b>RATNAVEER PRECISION ENGINEERING LIMITED</b>			
( Formerly Known As RATNAVEER METALS LIMITED )			
CIN: U27108GJ2003PLC040488			
Standalone Statement of Profit and Loss for the Ended March 31, 2023			
(Rs in Million)			
Particulars	Note No.	For Year ended 31-March-2023	Year ended 31-Mar-2022
I Revenue from operations	24	4,797.48	4,296.30
II Other Income	25	13.97	15.34
III Total Income (I+II)		4,811.45	4,311.64
IV Expenses			
Cost of materials consumed	26	4,189.58	3,735.22
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(266.22)	(188.80)
Employee benefits expenses	28	78.78	78.05
Finance costs	29	122.82	116.21
Depreciation expenses	30	40.18	39.27
Other expenses	31	309.90	356.55
Total expenses		4,604.33	4,159.21
V Profit before exceptional and extraordinary items and Tax (I-IV)		307.12	154.51
VI Exceptional items			
VII Profit before tax (V-VI)		307.12	154.51
VIII Tax expense:	33		
Current tax expense for current year		40.00	20.00
Short / (Excess) Provision for income tax		1.35	3.61
Deferred tax		15.33	10.15
		56.68	33.76
IX Profit from continuing operations (VII-VIII)		250.44	94.75
X Profit / (Loss) from discontinuing operations (before tax)		-	-
XI Tax expense of discontinuing operations		-	-
XII Profit/(loss) from Discontinued operations (X-XI)		-	-
XIII Profit for the period (IX+XII)		250.44	94.75
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	34	(9.18)	1.18
(ii) Income tax relating to items that will not be reclassified to profit and loss	34	6.05	(0.30)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
		(0.13)	0.88
XV Total Comprehensive Income for the period (XIII+XIV)		250.31	95.64
XVI Earnings per share for continued operation Basic & diluted (of ₹ 10/- each)	35	7.25	2.75
XVII Earnings per share for discontinued operation Basic & diluted (of ₹ 10/- each)		-	-
XVIII Earnings per share for continued operation and discontinued operation Basic & diluted (of ₹ 10/- each)		7.25	2.75
Significant Accounting Policy	1-4		
The accompanying notes are integral part of these financial statements.	1-65		

As per our report of even date attached  
For Pankaj R Shah & Associates  
Chartered Accountants  
Firm Regn. No. 107361W

**N. R. Shah**  
CA Nilesh Shah  
Partner  
Membership No. - 107414  
UDIN:23107414BGUYY29284



for and on behalf of Board of Directors of  
RATNAVEER PRECISION ENGINEERING LIMITED  
( Formerly Known As RATNAVEER METALS LIMITED )  
CIN: U27108GJ2003PLC040488

**B. S. Chiplot**  
Whole Time Director  
DIN: 03529750

**Vijay R Sanghavi**  
Managing Director & CFO  
DIN: 00495922

**Prerana Trivedi**  
Company Secretary  
M.No. A37478



Place: Ahmedabad  
Date: 16-06-2023

Place: Vadodra  
Date: 16-06-2023

**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

CIN: U27108GJ2002PLC040488

Standalone Statement of Cashflow for the Year Ended MARCH 31, 2023

(Rs in Million)

Particulars	For the Year Ended	For the Year Ended
	31.03.2023	31.03.2022
<b>(A) Cash Flow from Operating Activities :</b>		
Net Profit before Tax	307.12	134.81
Adjustments for :		
Depreciation	40.17	39.37
Interest Income	(13.67)	(10.35)
Interest Expenses	122.02	110.71
(Profit) / Loss on sale of PPE	(0.15)	(0.00)
Adjustment on Account of First Time Adoption of IND AS		
<b>Operating Profit Before Working Capital Changes</b>	<b>456.19</b>	<b>280.16</b>
Adjustments for:		
Non-current/current financial and other assets:		
Decrease/(Increase) in Other Financial Assets	1.56	(0.80)
Decrease/(Increase) in Other Non-Current Assets	9.36	(1.13)
Decrease/(Increase) in Other Current Assets:		
Trade Receivables	(250.83)	(70.39)
Inventories	(345.43)	(357.59)
Non-current/current financial and other liabilities/provisions		
Increase/(Decrease) in Trade Payables	(38.35)	54.98
Decrease/(Increase) in Loans		4.98
Increase/(Decrease) in Other Current Liabilities	18.90	(30.09)
Increase/(Decrease) in Other Financial Liabilities	(3.35)	3.25
Increase/(Decrease) in Short Term Provisions	6.18	(1.90)
<b>Cash Generated from/(used in) Operating Activities</b>	<b>(102.01)</b>	<b>(125.48)</b>
Direct Taxes Paid (Net)	(41.35)	(29.61)
<b>Net Cash from Operating Activities (A)</b>	<b>(143.36)</b>	<b>(155.09)</b>
<b>(B) Cash Flow from Investing Activity :</b>		
Purchase of property, plant and equipment's	(184.61)	(127.85)
Proceeds from sale of PPE	0.57	1.40
Non-Current Investments Written off	-	-
Interest Received	13.87	10.35
<b>Net Cash from Investing Activities (B)</b>	<b>(170.17)</b>	<b>(116.10)</b>
<b>(C) Cash Flow from Financial Activities :</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	2,081.00	(1,864.74)
Proceeds/(Repayment) from Short Term Borrowings (Net)	308.65	317.32
Interest Paid	(122.82)	(118.71)
Increase in share Capital	2.70	-
Proceeds on account of Securities Premium	147.62	(2.55)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>2,467.44</b>	<b>(1,769.68)</b>
<b>Net Increase/(Decrease) in Cash and Bank Balance (A+B+C)</b>	<b>2,163.91</b>	<b>(2,037.86)</b>
Add : Opening Cash & Bank Balances	(1,850.17)	167.89
<b>Closing Cash &amp; Bank Balances</b>	<b>303.74</b>	<b>(1,850.17)</b>

Refer Note 3.18 for Cash flow method

As per our report of even date attached  
For Pankaj R Shah & Associates  
Chartered Accountants  
Firm Regn. No. 1073911V

*N.R. Shah*  
CA Nilesh Shah  
Partner  
Membership No. - 107414  
UDIN:23107414BQUYY29284



for and on behalf of Board of Directors of  
RATNAVEER PRECISION ENGINEERING LIMITED  
( Formerly Known As RATNAVEER METALS LIMITED )  
CIN: U27108GJ2002PLC040488

*R. S. Bhople*  
R. S. Bhople  
Whole Time Director  
DIN: 01539780

*Vijay R. Sanghavi*  
Vijay R. Sanghavi  
Managing Director & CFO  
DIN: 00495922

*Priyansu Trivedi*  
Priyansu Trivedi  
Company Secretary  
M.no. A37475



Place: Ahmedabad  
Date: 16-06-2023

Place: Vadodara  
Date: 16-06-2023

**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

CIN: U27108GJ2002PLC040488

**Statement of Changes in Equity**
**A. Equity share capital**

(Rs in Million)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Balance as at March 31, 2023	42.62			306.32	348.94
Balance as at March 31, 2022	42.62	-	-	-	42.62

**B. Other equity**

(Rs in Million)

Particulars	Reserves and Surplus				
	Security premium	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at April 1, 2021	27.42	-	495.41	0.32	523.15
Profit for the year	-	-	95.65	0.88	96.53
Addition / (Utilization) during the Year	(2.55)	-	-	-	(2.55)
Items of OCI, net of tax	-	-	-	-	-
Re-measurement losses on defined benefit plans	-	-	-	-	-
Balance as at March 31, 2022	24.87	-	591.06	1.20	617.13
Balance as at April 1, 2022	24.87	-	591.06	1.20	617.13
Profit for the year	147.62	-	250.31	(0.13)	398.10
Addition / (Utilization) during the Year	-	-	(303.62)	-	(303.62)
Items of OCI, net of tax	-	-	-	-	-
Re-measurement losses on defined benefit plans	-	-	-	-	-
Balance as at March 31, 2023	172.79	-	537.76	1.07	711.61



# RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

## 1 Company Information

Ratnaveer Precision Engineering Limited (the 'Company') is a public limited Company and domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at E-77, GIDC Savli (Manjusar), Baroda - 391775. The company is engaged in the manufacturing and selling of diverse range of SS products with its manufacturing facilities located in Baroda and Ahmedabad State of Gujarat.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023.

## 2 Basis of Preparation and Presentation

### 2.1 Statement of Compliance

#### (i) Compliance with Indian Accounting Standards (Ind AS)

Restated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Restated Financial Statements which comprise the Balance Sheet as restated as at 31st March 2023, 31 March, 2022, the Statement of Profit and Loss as restated for the years ended 31 March 2023, 31 March 2022, the Statement of Cash Flows as restated for the years ended 31 March 2023, 31 March 2022, the Statement of Changes in Equity as restated for the years ended as on that dates, and accounting policies and other explanatory information (together hereinafter referred to as 'Restated Financial Statements').

#### (ii) Basis of Preparation and Presentation

The Restated Financial Statements has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Further Public Offering of its equity shares, in accordance with the requirements of

- Section 25 of part I of Chapter III of the Act;

- Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and

- Guidance Note on Reports in accordance with the notification issued by Ministry of Corporate Affairs, Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2020.

The Financial Statements have been prepared on the historical cost convention on the accrual basis except for certain assets and liabilities that are required to be carried at fair values by Ind AS.

These Restated Financial Statements have been compiled by the management from audited financial statements of the Company for each of the years-ended 31 March 2023, 31 March 2022, 31 March 2021 and 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time and other accounting principles generally accepted in India.

#### (iii) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is :-

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



# RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

A liability is current when :-

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## (iv) Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 2.2 Functional and Presentation Currency

Indian rupee is the functional and presentation currency.

## 2.3 Rounding of amounts

All amounts disclosed in the Restated financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

## 3 Significant Accounting Policies

### 3.1 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

#### 3.1.1 Sale of Goods

Revenue is generated primarily from sale of S. S. Products. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### 3.1.2 Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### 3.1.3 Export Incentive

Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.



**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

**3.1.4 Other Income**

**a Interest Income**

Interest income is recognized using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**b Dividend income**

Dividend are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**c Gain or loss on derecognition of Financial Assets**

Gain or Loss on derecognition of financial asset is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

**d All other Incomes are recognised and accounted for on accrual basis**





**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

**Notes forming part of the Standalone Financial Information****3.2 Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 1st April, 2020 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Tangible Assets is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013.

**Block of Assets****Useful Life (Years)**

Buildings	30 - 60
Plant & Machinery	15
Furniture and Fixtures	10
Office Equipment's	5
Vehicles	8-10
Office Equipment's	5

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use.

The residual value, useful life and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Intangible Assets**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when it meets the criteria of the Intangible Assets.

Intangible Assets are amortized over a period of five years as per straight line method.



**RATNAVEER PRECISION ENGINEERING LIMITED****( Formerly Known As RATNAVEER METALS LIMITED )****Notes forming part of the Standalone Financial Information****3.3 Financial Instruments****3.3.1 Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

**3.3.2 Subsequent Measurement****a Non-derivative financial instruments****i Financial assets measured at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii Financial assets measured at fair value through profit or loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**iv Financial liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

**b Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognized as a deduction from equity instrument net of any tax effects.



## RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

### c Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the Restated financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months. Except for certain currency swaps and interest rate derivatives.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period through profit and Loss Statement.

#### Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### 3.3.3 De-recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

#### 3.3.4 Off-setting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 3.4 Fair Value Measurement

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.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



## RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

### 3.5 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### 3.5.1 Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### 3.5.2 Deferred Tax

Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill, or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 realized.



## RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

### 3.6 Impairment

#### 3.6.1 Financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The company assesses at each reporting date whether there is an indication that an asset may be impaired. Such indication include, though are not limited to, significant or sustained decline in revenues or earnings and material

#### 3.6.3 Non financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### 3.7 Borrowing Costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.



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Notes forming part of the Standalone Financial Information

### 3.8 Employee Benefits

Short term employee benefits for salary and wages including accumulated leave that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

The company measures the expected cost of absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The company operates one defined benefit plan for its employees, viz., gratuity plan. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurements are recognized in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

### 3.9 Provisions

A provision is recognized when the company has a present obligation as a result of past event and 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 discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### 3.10 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the Restated financial statements.

### 3.11 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are neither recognised nor disclosed in the Restated financial statements.



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### 3.12 Foreign Currency

#### a Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

#### b Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### c Exchange difference

All exchange differences are recognized as income or as expenses in the year in which they arise.

### 3.13 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

### 3.15 Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on FIFO basis. Cost includes all charges in bringing the goods to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

### 3.16 Lease

#### (i) As a lessee

The Company assesses whether a contract, is, or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset.
- the Company has substantially all of the economic benefits from use of the asset throughout the period of the

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### (ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.



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Notes forming part of the Standalone Financial Information

**3.17 Segment Reporting**

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the managing Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated financial statements of the company as a whole.

**3.18 Cash Flow Statement**

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

**3.19 Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Restated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.





## RATNAVEER PRECISION ENGINEERING LIMITED

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### Notes forming part of the Standalone Financial Information

#### 4 Use of Estimates

The preparation of the Restated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Restated financial statements are:

- Useful lives of Property, plant and equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of defined employee benefit obligations
- Export Incentive
- Provision for Loss Allowance using Expected Credit Loss Model in respect of Trade-Receivables

#### 4.1 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

##### Ind AS 15 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



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**Notes forming part of the Standalone Financial Information**

4.2 Changes in Liability arising from Financing Activities						Rs. in Millions	
Particulars	Opening balance as at 01-04-2022	Cash flow changes proceeds	Repayment	Other transactions *	Closing Balance as at 31-03-23		
Borrowings-Non-current (including current maturity)	253.15	50.13	19.14	11.24	295.38		
Borrowings-current (Excluding Bank OD)	1919.51	570.64		311.68	2401.83		
Particulars	Opening balance as at 01-04-2021	Cash flow changes Proceeds	Repayment	Other transactions *	Closing Balance as at 31-03-22		
Borrowings-Non-current (including current maturity)	178.51	87.81	22.11	8.94	253.15		
Borrowings-current (Excluding Bank OD)	1491.67	320.07		107.77	1919.51		
Particulars	Opening balance as at 01-04-2020	Cash flow changes Proceeds	Repayment	Other transactions *	Closing Balance as at 31-03-21		
Borrowings-Non-current (including current maturity)	238.1	10.72	76.44	6.13	178.51		
Borrowings-current (Excluding Bank OD)	1165.77	311.51		114.39	1491.67		
Particulars	Opening balance as at 01-04-2019	Cash flow changes	Repayment	Other transactions	Closing Balance as at 31-03-20		
Borrowings-Non-current (including current maturity)	272.18		40.51	6.43	238.1		
Borrowings-current (Excluding Bank OD)	859.2	173.51		133.06	1165.77		

**Note:- Other Transactions include interest, other charges, forex, amortization etc.**



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**Notes forming part of the Standalone Financial Information****Note: 5 Property, Plant & Equipment**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Property Plant and Equipment</b>		
Gross Assets	585.94	536.31
Less: Accumulated Depreciation	(237.42)	(208.38)
<b>Sub Total</b>	<b>348.52</b>	<b>327.93</b>
<b>Capital Work in Progress</b>		
Gross Assets	88.04	36.71
Less: Accumulated Depreciation	-	-
<b>Sub Total</b>	<b>88.04</b>	<b>36.71</b>
<b>Intangible assets</b>		
Gross Assets	178.38	95.15
Less: Accumulated Depreciation	(26.31)	(15.17)
<b>Sub Total</b>	<b>152.07</b>	<b>79.98</b>
<b>Total</b>	<b>588.63</b>	<b>444.62</b>

**Note:6 Other Financial Assets**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured, Considered Good</b>		
Security Deposits	15.54	12.52
Deposits with the Financial Institutions having maturity more than 12 months and given as Security Deposit	3.17	3.17
<b>Total</b>	<b>18.71</b>	<b>15.69</b>



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Notes forming part of the Standalone Financial Information

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01-04-2022	Additions	Deductions	As at 31-03-2023	As on 01-04- 2022	Depreciation During the year	Deduction	As at 31-03- 2023	As on 31-03- 2022
5.1	<b>Tangible Assets</b>									
	Land	13.60	-	-	13.60	-	-	-	13.60	13.60
	Factory and Office Building	47.60	0.05	-	47.65	19.93	2.32	22.25	25.60	27.87
	Plant & Machinery	447.30	46.47	-	493.77	164.50	25.43	189.93	303.94	282.80
	Furniture & Fixture	6.36	0.10	-	6.46	5.93	0.23	6.19	0.50	0.63
	Electrical Equipment	6.24	0.46	-	6.70	5.02	0.18	5.20	1.50	1.23
	Office Equipment	2.76	0.21	-	2.97	2.26	0.05	2.34	0.63	0.47
	Computer	5.43	0.17	-	5.60	4.82	0.35	5.17	0.43	0.61
	Vehicles (Motor Car)	6.17	2.59	0.42	8.34	5.96	0.46	6.02	2.32	0.61
	Vehicles (Scooter & Bike)	0.46	-	-	0.44	0.34	0.02	0.36	0.08	0.10
	<b>TOTAL (A)</b>	<b>536.30</b>	<b>50.05</b>	<b>0.42</b>	<b>585.93</b>	<b>206.39</b>	<b>29.04</b>	<b>237.43</b>	<b>348.50</b>	<b>327.92</b>
6.3	<b>Intangible Assets</b>									
	Research and Development	65.15	83.23	-	178.38	45.17	11.14	26.31	152.07	79.06
	<b>TOTAL (B)</b>	<b>66.15</b>	<b>83.23</b>	<b>-</b>	<b>178.38</b>	<b>45.17</b>	<b>11.14</b>	<b>26.31</b>	<b>152.07</b>	<b>79.06</b>
5.2	<b>Capital Work In Progress</b>									
		36.71	137.82	65.49	86.04	-	-	-	86.04	36.71
	<b>TOTAL (C)</b>	<b>36.71</b>	<b>137.82</b>	<b>65.49</b>	<b>86.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86.04</b>	<b>36.71</b>
	<b>TOTAL (A + B + C)</b>	<b>668.16</b>	<b>271.10</b>	<b>66.91</b>	<b>852.35</b>	<b>223.56</b>	<b>40.18</b>	<b>263.74</b>	<b>586.61</b>	<b>444.61</b>
	Previous Year	537.76	253.77	-	123.37	165.45	39.37	1.29	444.62	352.26

Note:- There is no investment in property hence details related to valuation of the same are not disclosed



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SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01-04-2021	Additions	Deduction	As at 31-03-2022	As on 01-04-2021	During the year	Deduction	As at 31-03-2022	As on 31-03-2021
5.1	<b>Tangible Assets</b>									
	Land	13.60	-	-	13.60	-	-	-	13.60	13.60
	Factory and Office Building	47.49	0.32	-	47.81	17.59	2.34	-	19.93	26.90
	Plant & Machinery	389.07	20.24	-	447.31	139.45	25.05	-	164.50	292.81
	Furniture & Fixture	6.52	0.04	-	6.56	5.60	0.13	-	5.93	0.72
	Electrical Equipment	6.15	0.09	-	6.24	4.00	0.12	-	5.02	1.25
	Office Equipment	2.71	0.56	-	2.77	2.16	0.12	-	2.28	0.54
	Computer	6.23	0.20	-	5.43	4.53	0.29	-	4.02	0.81
	Vehicles (Motor Car)	7.47	-	1.31	6.16	6.66	0.19	1.29	5.56	0.61
	Vehicles (Scooter & Bike)	0.36	0.38	-	0.44	0.32	0.02	-	0.34	0.03
	<b>TOTAL (A)</b>	<b>448.60</b>	<b>89.03</b>	<b>1.31</b>	<b>536.32</b>	<b>181.41</b>	<b>28.26</b>	<b>1.29</b>	<b>208.38</b>	<b>207.17</b>
5.3	<b>Intangible Assets</b>									
	Research and Development	65.43	39.72	-	95.15	4.06	11.11	-	15.17	51.37
	<b>TOTAL (B)</b>	<b>55.43</b>	<b>39.72</b>	<b>-</b>	<b>95.15</b>	<b>4.08</b>	<b>11.11</b>	<b>-</b>	<b>15.17</b>	<b>51.37</b>
5.2	<b>Capital Work In Progress</b>									
		33.74	125.03	122.06	36.71	-	-	-	-	33.74
	<b>TOTAL (C)</b>	<b>33.74</b>	<b>125.03</b>	<b>122.06</b>	<b>36.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.74</b>
	<b>TOTAL (A+B+C)</b>	<b>537.77</b>	<b>253.78</b>	<b>133.37</b>	<b>658.18</b>	<b>185.47</b>	<b>39.37</b>	<b>1.29</b>	<b>223.55</b>	<b>352.28</b>
	Previous Year	413.02	210.84	66.60	537.76	159.35	26.74	0.61	185.49	254.47

Note:- There is no investment in property hence details related to valuation of the same are not disclosed.



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Notes forming part of the Standalone Financial Information

Note: 5.2 - Capital work-in-progress

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2022	Additions during the year	Transfer	Balance as at 31 March 2023	Depreciation for the year	Transfer	Balance as at 31 March 2023	Balance as at 31 March 2022
CWIP	36.71	137.82	88.49	88.04	-	-	88.04	36.71
Total	36.71	137.82	88.49	88.04	-	-	88.04	36.71
Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2021	Additions during the year	Transfer	Balance as at 31 March 2022	Depreciation for the year	Transfer	Balance as at 31 March 2022	Balance as at 31 March 2021
CWIP	33.74	125.03	122.08	96.71	-	-	96.71	33.74
Total	33.74	125.03	122.08	96.71	-	-	96.71	33.74

5.2.1

Capital Work-in-progress (CWIP)

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
As at 31 March 2023	-	-	-	-
Projects in progress	88.04	-	-	88.04
As at 31 March 2022	-	-	-	-
Projects in progress	36.71	-	-	36.71
Projects temporarily suspended	-	-	-	-

Note:- There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

Note: 5.3 - Intangible assets

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2022	Additions during the year	Disposals	Balance as at 31 March 2023	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March 2023	Balance as at 31 March 2022
Intangible assets (Research & Development)	95.15	83.23	-	178.38	11.14	-	167.24	79.98
Total	95.15	83.23	-	178.38	11.14	-	167.24	79.98
Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2021	Additions during the year	Disposals	Balance as at 31 March 2022	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March 2022	Balance as at 31 March 2021
Intangible assets (Research & Development)	55.43	39.72	-	95.15	11.11	-	84.04	51.37
Total	55.43	39.72	-	95.15	11.11	-	84.04	51.37

Note:- The Company has elected to measure all its property, plant and equipment at the IGAAP carrying amount i.e. March 31, 2020 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. April 01, 2020.

(i) The Title deeds of Immovable Properties are in the Company.

(ii)



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**Notes forming part of the Standalone Financial Information****Note:7 Other Non Current Assets**

(Rs In Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured, Considered Good</b>		
Advance for Capital Expenditure	8.07	11.26
Balance with Govt Authorities	5.36	14.55
<b>Total</b>	<b>13.43</b>	<b>25.81</b>

**Note: 8 Inventories**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
Raw materials ( In transit Rs Nil) (PY Rs 111.48 Millions lying at port)	418.59	329.81
Work-in-progress	1,398.34	942.39
Finished goods (Includes Rs 33.91 Millions lying at port) (PY Rs 41.85 Millions )	188.36	378.09
Stores & Spares	39.47	50.84
Packing Material	13.50	11.70
<b>Total</b>	<b>2,058.26</b>	<b>1,712.83</b>

THE INVENTORIES ARE HYPOTHICATED AS A SECURITY AS DISCLOSED IN NOTE 19.1

**Note:9 Trade Receivables**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>(Unsecured, Considered Good)</b>		
Trade receivables exceeding six months from Due Date	19.84	24.83
<b>Trade Receivables considered good</b>	<b>613.88</b>	<b>378.06</b>
Refer note no 50 and note No 10.1 for aging		
<b>Total</b>	<b>633.72</b>	<b>402.89</b>

**Note:10 Cash & Cash equivalents**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
Cash on hand*	2.27	1.85
Balances with banks		
- In Current Account	0.08	0.15
- in Margin money Account		
<b>Total</b>	<b>2.35</b>	<b>2.00</b>

\*Include Cash in Foreign Currencies.



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Notes forming part of the Standalone Financial Information

**Note:11 Bank Balance other than above**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
Bank Balance in Fixed Deposit Account against Bank Guarantee and Margin Money	301.39	194.95
<b>Total</b>	<b>301.39</b>	<b>194.95</b>

**Note:12 Other Financial Assets**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>(Unsecured, Considered Good)</b>		
Advance Recoverable in cash or in kind or for value to be received	1.61	2.50
Derivative Assets	-	0.67
<b>Total</b>	<b>1.61</b>	<b>3.17</b>

**Note:13 Other Current Assets**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured, Considered Good</b>		
Advance Recoverable in cash or in kind or for value to be received	-	0.79
Export Incentive Receivable	142.52	138.35
Interest accrued on Fixed Deposits but not due	0.34	0.25
Prepaid expenses	13.52	18.42
Balance with Government Authorities	9.82	0.24
Advance to Suppliers	91.44	126.31
IPO Expenses	14.74	-
<b>Total</b>	<b>272.37</b>	<b>284.36</b>





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Notes forming part of the Standalone Financial Information

## Note-14 Equity Share Capital

(Rs. in Million)

Particulars	(Rs. in Million)	
	As at 31-03-2023	As at 31-03- 2022
<b>Equity Share Capital</b>		
Opening balance	40.67	40.67
Add: During the year	306.32	-
<b>Sub Total</b>	<b>346.99</b>	<b>40.67</b>
<b>Preference Share Capital</b>		
Opening balance	-	-
Add: During the year	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Share Forfeiture account</b>		
Opening balance	1.95	1.95
Add: During the year	-	-
<b>Sub Total</b>	<b>1.95</b>	<b>1.95</b>
<b>Total</b>	<b>348.94</b>	<b>42.62</b>

(shares in million)

(Rs. in Million)

Particulars	As at March 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of 10 each	50.00	500.00	5.00	50.00
Preference shares of 10 each	3.00	30.00	3.00	30.00
<b>Issued</b>				
Equity shares of 10 each	34.70	346.99	4.67	40.67
<b>Subscribed and Paid Up</b>				
Equity shares of 10 each	34.70	346.99	4.07	40.67
Add: Forfeited shares	0.20	1.95	0.20	1.95

Company has increased Authorized share Capital from 80 million to 530 million on 8th Nov. 2022 by passed Ordinary Board Resolution.

### 14.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year

(shares in million)

(Rs. in Million)

Particulars	As at March 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the Year	4.07	40.67	4.07	40.67
Share Forfeiture account	0.20	1.95	0.20	1.95
Addition during the year	30.63	306.32	-	-
Outstanding at the end of the year	<b>34.90</b>	<b>348.94</b>	<b>4.27</b>	<b>42.62</b>

### 14.2 Rights, Preferences and Restrictions attached to equity shares

The Company has one class of shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

### 14.3 Shares held by promoters (Promoter as defined in the Companies Act, 2013)

Promoter name.	As at March 31, 2023	Change during the year	% of Total Shares in 23	As at March 31, 2022
Vijay R Sanghvi	29.01	25.38	83.60%	3.63
Seema V Sanghvi	0.04	0.82	2.71%	0.12
<b>Total</b>	<b>29.95</b>	<b>26.20</b>	<b>86.31%</b>	<b>3.75</b>

### 14.4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding in that class of shares	No. of shares	% Holding in that class of shares
Vijay R Sanghvi	29.01	83.60%	3.63	89.19%



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Notes forming part of the Standalone Financial Information

**Note:15 Other Equity**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
Securities premium		
Opening balance	24.87	27.42
Addition / (Utilization) during the Year	147.92	(2.55)
<b>Sub Total</b>	<b>172.79</b>	<b>24.87</b>
Other Comprehensive Income		
Opening balance	1.20	0.32
Add: Profit for the year	(0.13)	0.88
<b>Sub Total</b>	<b>1.07</b>	<b>1.20</b>
Retain Earning		
Opening balance	591.05	495.41
Add: Profit for the year	250.31	95.64
Less: Bonus Share Alloted on 12.1.23	(303.62)	-
<b>Sub Total</b>	<b>537.74</b>	<b>591.05</b>
<b>Total</b>	<b>711.60</b>	<b>617.12</b>

**Nature and purpose of Other Equity- Security Premium**

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognised in Securities Premium Reserve and can be utilised in accordance with the provisions of the Companies Act, 2013.

**BONUS SHARE**

Company has issued bonus share 1:7 on 12.01.2023 as AGM held total no of share bonus share issued 30361660.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.



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## Note:16 Borrowings

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Preference Share (secured)</b>		
9% Non-cumulative Redeemable preference shares	10.53	10.53
Refer Note No: 17.1		
<b>Sub Total</b>	<b>10.53</b>	<b>10.53</b>
<b>Term loans (Secured)-With Bank</b>		
UCO Bank	20.58	21.85
Bandhan Bank	80.08	43.32
Yesh Bank	0.69	-
HDFC Bank	1.21	-
<b>With Financial Institutions</b>		
Tata Financial Capital Service Ltd	-	1.20
Edelweiss Capital Ltd	0.64	2.87
<b>Sub Total</b>	<b>103.20</b>	<b>69.24</b>
<b>Other loans and advances (Unsecured)</b>		
Financial Institutions	129.77	129.77
From Directors & Shareholders	96.53	96.53
<b>Sub Total</b>	<b>226.30</b>	<b>226.30</b>
<b>Total</b>	<b>340.04</b>	<b>306.07</b>

Refer note no 54 and 55 for utilized of borrowed fund Refer Note No 17.2 For Security &amp; Rate of Interest



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**16.1 Preferential Shares**

Preference Share allotted shall be for tenure up to 20 years from date of allotment and company has right to redeem said share before expiry of 20 years its own or request from share holders

**16.2 Nature of security, Rate of Interest and Terms of Repayment**

**UCO BANK** : Term Loan secured against second charge with existing credit facility and personal guarantee of Shri Vijay Sanghvi. Repayment Schedule for 1st Term Loan 24 monthly installments of Rs 2100000 including 6 month moratorium period (commencing from 30.11.2020) and 2nd Term Loan 72 monthly installments Rs 452084 including 24 month moratorium period. ( commencing from 31-03-2024) @ 8.95% p.a

**BANDHAN BANK** : Term Loan secured against second charge with existing credit facility and personal guarantee of Shri Vijay Sanghvi. Repayment Schedule for 1st Term Loan 60 monthly installments of Rs 618750 including 12 month moratorium period (commencing from 31.10.2022) @ 8.25% p.a and 2nd Term Loan 60 monthly installments Rs 589600 including 12 month moratorium period. ( commencing from 31-10-2022)

**Tata Financial Capital Service Ltd.**: Secured against hypothecation of Equipment to be purchased under the agreement and also secured by way of Personal Guarantee of the Directors of the company Shri Vijay R Sanghvi Repayment Schedule : 63 Monthly installments of Rs 91850/- (excluding interest ) commencing from 25.04.2018) @ 13% p.a

Repayment Schedule : 62 Monthly installments of Rs 80430/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a

Repayment Schedule : 62 Monthly installments of Rs 40120/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a.

Repayment Schedule : 58 Monthly installments of Rs 15145/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a

Repayment Schedule : 60 Monthly installments of Rs 41935/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a.

Repayment Schedule : 57 Monthly installments of Rs 12150/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a

Repayment Schedule : 54 Monthly installments of Rs 33627/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a.

Repayment Schedule : 55 Monthly installments of Rs 60076/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a.

Repayment Schedule : 50 Monthly installments of Rs 73530/- (excluding interest ) commencing from 24.04.2019) @ 13% p.a.

**Edelweiss Capital Ltd.**: Secured against hypothecation of Equipment to be purchased under the agreement and also secured by way of Personal Guarantee of the Directors of the company Shri Vijay R Sanghvi.

Repayment Schedule : 72 Monthly installments of Rs 209537/- (including interest ) commencing from 25.04.2018) @ 8.35% p.a

**HDFC BANK Ltd.**: Secured against hypothecation of Motor Car to be purchased under the agreement and also secured by way of Personal Guarantee of the Directors of the company Shri Vijay R Sanghvi.

Repayment Schedule : 84 Monthly installments of Rs 24781/- (including interest ) @ 9% commencing from 07.10.2022)

**YES BANK Ltd.**: Secured against hypothecation of FORK LIFT to be purchased under the agreement and also secured by way of Personal Guarantee of the Directors of the company Shri Vijay R Sanghvi.

Repayment Schedule : 84 Monthly installments of Rs 19950/- (including interest ) commencing from 20.02.2023) @ 9.50%



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**Note 17 Deferred Tax Liabilities (Net)**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Deferred Tax Liabilities</b>		
Opening balance	32.21	22.46
Add: During the year	15.63	9.74
Closing Balance	47.84	32.20
<b>Deferred Tax Assets</b>		
Opening balance	(0.53)	(0.63)
Add: During the year	(0.25)	0.10
Closing Balance	(0.76)	(0.53)
<b>Total</b>	<b>47.08</b>	<b>31.67</b>

**17.1 Movement in deferred tax assets and liabilities**

For the year ended on March 31, 2023

(Rs in Million)

Particulars	As at April 1, 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2023
<b>Deferred tax (Assets) / liabilities</b>				
Property, Plant and Equipment	30.17	16.64	-	46.81
Financial Instruments	2.03	(1.01)	-	1.02
Employee Benefit	(0.53)	(0.07)	(0.16)	(0.76)
<b>Total</b>	<b>31.67</b>	<b>15.56</b>	<b>(0.16)</b>	<b>47.05</b>

For the year ended on March 31, 2022

(Rs in Million)

Particulars	As at April 1, 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2022
<b>Deferred tax (Assets) / liabilities</b>				
Property, Plant and Equipment	20.15	10.02	-	30.17
Financial Instruments	2.31	(0.28)	-	2.03
Employee Benefit	(0.63)	(1.08)	1.16	(0.53)
<b>Total</b>	<b>21.83</b>	<b>8.66</b>	<b>1.16</b>	<b>31.67</b>



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17.2

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted income tax rate and effective income tax rate of the Company is as follows:

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
Profit before tax for the year	307.12	134.52
Tax rate	25.17%	25.17%
<b>Expected Income Tax Expense</b>	<b>77.30</b>	<b>33.86</b>
Adjustments		
Non-deductible expenses for tax purposes	14.74	(0.10)
Tax pertaining to prior years	1.35	3.61
Tax effect on account of timing difference	15.33	10.15
Others (Net)	(52.03)	(7.75)
<b>Total Income Tax expense</b>	<b>56.69</b>	<b>39.77</b>



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(Rs in Million)

## Note: 18-Borrowings

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Secured</b>		
<b>Current maturities of long-term debt</b>		
Yes Bank	0.24	
Andhra Bank Ltd	-	-
UCO Bank	0.90	4.59
Bandhan Bank	14.45	7.25
Reliance Capital Ltd	-	-
Tata Financial Capital Service Ltd	1.04	7.34
Edelweiss Capital Ltd	2.21	1.95
HDFC Bank	0.30	
From banks: Working Capital	608.75	510.50
<b>Unsecured</b>		
From Banks		
Buyer's Credit	209.17	62.24
LC Bill Discounted	1,117.01	991.55
From Directors & Shareholders	5.78	14.80
<b>Current maturities of long-term debt (Unsecured)</b>		
Financial Institutions	-	0.98
<b>Total</b>	<b>1,959.85</b>	<b>1,601.20</b>

Refer note no 54 and 55 for utilized of borrowed fund

### Note:18.1

Working Capital: Secured against the Hypo. Of Company's Stock & Raw material, Work-in-progress and finished goods & Book debts, and further Secured against Second charge over Company's Land, Building and other immovable assets located at E-77,120 GIDC-Savli (Manjusar), Dist Baroda and First charge over Company's Stock & Raw material, Work-in-progress and finished goods & Book debts. Also, secured against first charge of residential property of Director Shri Vijay Sanghvi located at 20,21 Vijay Society-I, New Khanderao Road, Vadodara. & also Secured by way of Hypothecation of Key man Insurance of Shri Vijay Sanghvi & also Personal Guarantee of Shri Vijay Sanghvi )

### Note:19 TRADE PAYABLE

Particulars	As at 31-03-2023	As at 31-03-2022
Total Outstanding dues of Micro and Small Enterprise	4.07	
Total Outstanding dues of creditors other than Micro and small (Refer Note No 50 and 20.1 for aging)	370.26	412.69
<b>Total</b>	<b>374.33</b>	<b>412.69</b>



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**Note- 20 Other Financial Liabilities**

Particulars	(Rs in Million)	
	As at 31-03-2023	As at 31-03-2022
Bank Overdraft	-	-
Security Deposit	-	-
Others	-	3.35
<b>Total</b>	<b>-</b>	<b>3.35</b>

**Note:-21 Other Current Liabilities**

Particulars	(Rs in Million)	
	As at 31-03-2023	As at 31-03-2022
Financial Institutions	88.04	-
Statutory liabilities	19.28	10.72
Bank Overdraft	-	-
Security Deposit	-	-
Advance from customers	30.76	22.42
<b>Total</b>	<b>50.04</b>	<b>33.14</b>

**Note:-22 Current Tax Liabilities (Net)**

Particulars	(Rs in Million)	
	As at 31-03-2023	As at 31-03-2022
Provision for tax (net of advance tax & TDS)	33.69	19.92
<b>Total</b>	<b>33.69</b>	<b>19.92</b>

**Note: 23 Short Term Provisions**

Particulars	(Rs in Million)	
	As at 31-03-2023	As at 31-03-2022
(iii) Provision for Leave Encashment	-	-
Provision for Employee Benefits	3.11	2.12
Provision for Expenses	21.81	16.40
<b>Total</b>	<b>24.93</b>	<b>18.52</b>





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**Note: 24 Revenue from Operations**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
<b>(A) Sale of products</b>		
Domestic	3,875.39	3,431.72
Export	921.91	837.05
<b>Sub total - A</b>	<b>4,797.30</b>	<b>4,268.77</b>
<b>(B) Other Operating income</b>		
Income from Job Work	0.18	0.61
<b>Sub total - B</b>	<b>0.18</b>	<b>0.61</b>
<b>Total (A+B)</b>	<b>4,797.48</b>	<b>4,269.38</b>

**24.1 - Disaggregation of Revenue from Contracts with Customers:**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
<b>Geographical Disaggregation:</b>		
Revenues within India	3,875.39	3,431.72
Revenues outside India	921.91	837.05
<b>Total Revenue from Operations</b>	<b>4,797.30</b>	<b>4,268.77</b>
<b>Timing of revenue recognition</b>		
	4,797.48	4,269.38
<b>Total Revenue from Operations</b>	<b>4,797.48</b>	<b>4,269.38</b>

**Contract balances:****Receivables, contracts assets and contract liabilities from contracts with customers:**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
<b>Contract assets</b>		
Trade Receivables (Refer Note 10)	633.72	402.89
<b>Contract liabilities</b>		
Advances from customers (Refer Note 22)	30.76	22.42

**Note:25- Other Income**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Interest Income	13.87	10.35
Net gain on account of foreign exchange fluctuation	-	4.85
Debit/credit Balance Written Off / Written Back A/c	(0.05)	0.04
Gain/(loss) on sale of property, plant and equipment	0.15	0.08
<b>Total</b>	<b>13.97</b>	<b>15.34</b>

i) Interest income includes income from financial assets measured at Amortized Cost 13.87 Mill



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**Note:26 Cost of Materials Consumed**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Opening stock	329.81	169.92
Add: Purchases	4,278.35	3,895.11
	4,608.17	4,065.03
Less: Closing stock	(418.59)	(329.81)
<b>Total</b>	<b>4,189.58</b>	<b>3,735.22</b>

**Note: 27 Changes in inventories of finished goods,work-in -progress and stock in trade**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Inventories at the end of the year:		
Finished goods	188.30	378.09
Work-in-progress	1,395.34	942.39
<b>Sub Total (A)</b>	<b>1,583.70</b>	<b>1,320.48</b>
Inventories at the beginning of the year:		
Finished goods	378.08	236.14
Work-in-progress	942.39	898.65
<b>Sub Total (B)</b>	<b>1,320.48</b>	<b>1,134.79</b>
<b>Net (increase) / decrease (A-B)</b>	<b>(266.22)</b>	<b>(165.69)</b>

**Note:28- Employee Benefits expenses**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Salaries and wages	73.41	72.79
Contribution to Provident and Other Funds	1.87	2.30
Gratuity	0.80	0.78
Leave Encashment	0.70	0.43
Staff Welfare Expenses	2.20	1.75
<b>Total</b>	<b>78.78</b>	<b>78.05</b>

**Note:29- Finance Cost**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Interest expense on:		
Term Loan	9.61	3.29
Working Capital	60.00	40.54
Unsecured Loan	20.80	20.53
Secured Loan	1.36	3.02
<b>Interest Expense</b>		
Bank and Other Borrowings	91.76	67.36
Others	19.83	27.87
Interest on Bill Discounting	16.63	27.42
Interest Others	3.20	0.44
Unwinding of interest on Financial Liabilities carried at Amortized Cost	-	0.87
Other Financial Charges	11.33	20.60
<b>Total</b>	<b>122.92</b>	<b>116.71</b>



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**Note: 30 Depreciation expenses**

Particulars	(Rs in Million)	
	For Year ended 31-March-2023	Year ended 31-Mar-2022
Depreciation on property, plant and equipment	29.04	28.25
Amortisation on Intangible Assets	11.14	11.11
<b>Total</b>	<b>40.18</b>	<b>39.37</b>

**Note:31- Other expenses**

Particulars	(Rs in Million)	
	For Year ended 31-March-2023	Year ended 31-Mar-2022
<b>Manufacturing and other Expense</b>		
Stores & Spares Consumed		
Op. Stock	50.84	43.34
Add : Purchase Store	82.65	87.54
	133.49	130.88
Less : Cl. Stock	(39.47)	(50.84)
<b>Sub-Total</b>	<b>94.02</b>	<b>80.04</b>
Packing Material Consumed		
Op. Stock	11.70	7.20
Add :- Purchase Packing	15.04	16.37
	26.74	23.57
Less : Cl. Stock	(13.50)	(11.70)
<b>Sub-Total</b>	<b>13.24</b>	<b>11.87</b>
Repairs and maintenance - Machinery	4.20	1.38
Repairs and maintenance - Building	-	0.55
Repairs and maintenance - Others	0.79	2.50
Electricity expenses	55.41	72.74
Labour charges	62.44	73.12
<b>Sub-Total</b>	<b>132.84</b>	<b>150.27</b>
Rent, Rates and Tax	17.76	16.62
Printing & Stationery	0.75	0.59
Selling & Distribution Expenses	52.63	71.85
Factory Expenses	2.69	3.82
Insurance Expense	2.62	2.60
Travelling, Conveyance and Vehicle Expenses	4.27	4.54
Postage & Telephone expenses	0.58	0.47
Legal & Professional expenses	6.80	13.71
General Expenses	1.09	7.62
Loss on Sale of Vehicle	-	-
Net loss on account of foreign exchange fluctuation	2.86	-
Donation Expenses	-	-
Provision of Doubtful Debts	-	-
Corporate Social Responsibility (CSR) Expenses	4.34	2.05
<b>Sub-Total</b>	<b>98.59</b>	<b>123.97</b>
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit/Tax Audit fees	0.40	0.40
- Taxation Matters		
- Management Services		
- Company Law Matters		
- Certification fees & Other Services		
- Reimbursement of Expenses		
<b>Sub-Total</b>	<b>0.40</b>	<b>0.40</b>
<b>Total</b>	<b>339.09</b>	<b>366.55</b>



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**Note: 32 Tax expenses**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Current tax expense for current year	40.00	20.00
Current tax expense relating to prior years	1.35	3.61
Deferred tax	15.33	10.15
<b>Total</b>	<b>56.68</b>	<b>33.76</b>

**Note:33 -A(i) Items that will not be reclassified to profit or loss**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
Re-measurement of defined benefit plans / Obligations	(0.18)	1.18
Income tax relating to items that will not be reclassified to profit or Loss	0.05	(0.30)
<b>Total</b>	<b>(0.13)</b>	<b>0.88</b>

**Note:34 Earnings per share for continued operation**

(Rs in Million)

Particulars	For Year ended 31-March-2023	Year ended 31-Mar-2022
<b>Basic &amp; Diluted EPS</b>		
<b>Computation of Profit (Numerator)</b>		
(i) Profit after tax	250.44	94.76
(ii) Add:		
(iii) Profit for the year for diluted EPS	250.44	94.76
<b>Weighted Average Number of Shares (Denominator)</b>		
Weighted average number of Equity shares used for calculation of basic earnings per share	34.50	34.43
Add:		
Weighted average number of Shares for computing Diluted Earnings Per Share	34.50	34.43
<b>Earnings Per Share (Rs. per Equity Share of Rs. 10/- each)</b>		
Basic	7.26	2.75
Diluted	7.26	2.75



**RATNAVEER PRECISION ENGINEERING LIMITED**

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**Notes forming part of the Standalone Financial Information****35 Contingent Liabilities**

(Rs in Million)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Disputed claims (excluding interest, if any) in respect of</b>		
Income Tax	100.02	38.77
Sales Tax	26.07	19.66
Cestat	17.05	-
Civil	1.28	-
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on	18.54	11.12
<b>Total</b>	<b>162.96</b>	<b>69.55</b>

(i) It is not practical for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities applicable, in its financial statements. The company does not expect the outcomes of these proceedings to have materially adverse affect on its financial results.



**RATNAVEER PRECISION ENGINEERING LIMITED****( Formerly Known As RATNAVEER METALS LIMITED )****Notes forming part of the Standalone Financial Information****36 Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings including lease obligations less cash and cash equivalents, other bank balances.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

**(Rs in Million)**

<b>Particulars</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Equity Share Capital	348.94	42.62
Other Equity	711.60	617.13
<b>Total Equity</b>	<b>1,060.54</b>	<b>659.75</b>
Interest-bearing loans and borrowings	2,299.89	-138.83
Less: cash and cash equivalent	2.35	2.00
Less: Other bank Balances	301.39	194.95
<b>Net Debt</b>	<b>1,996.15</b>	<b>-336.78</b>
<b>Gearing Ratio</b>	<b>1.88</b>	<b>-0.51</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

**Notes forming part of the Standalone Financial Information****37 Employee Benefits****37.1 Defined Contribution Plans**

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	(Rs. In Million)	
	Mar-23	2021-22
Contribution to Provident Funds	1.53	2.17
Contribution to ESIC	0.14	0.13
Contribution to Labour welfare fund	-	-
<b>Total</b>	<b>1.67</b>	<b>2.30</b>

**37.2 Defined Benefit Plan - Gratuity**

Information about the characteristics of defined benefit plan

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 * Salary * Past Service Years
Salary definition	Last drawn qualifying salary
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 Years of service. No vesting condition apply in case of Death and disability
Retirement age	58 years

**37.3 The company is responsible for the governance of the plan.****37.4 Risk to the Plan**

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

**A Interest rate risk:**

A fall in the discount rate which is linked to the G Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**B Salary Risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of member. As such an increase in the salary of the members more than assumed level will increase the plan's liability.

**C Investment Risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced risk of investments in government securities, and other debt instruments.

**D Asset Liability Matching Risk:**

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in line of rule 101 of income tax rule, 1962 it generally reduces ALM risk.

**E Mortality risk:**

Since the benefits under the plan is not payable for life time and payable at retirement age only, plan does not have any longevity risk.

**F Concentration Risk:**

Plan is having a concentration risk as all the assets are invested with the insurance company.



**RATNAVEER PRECISION ENGINEERING LIMITED**

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Notes forming part of the Standalone Financial Information

**37.5 Reconciliation of defined benefit obligations**

Particulars	(Rs. In Million)	
	2022-23	2021-22
Defined benefit obligations as at beginning of the year	2.12	2.52
Current service cost	0.70	0.72
Interest cost	0.15	0.17
Expense recognized in OCI	0.18	(1.18)
Actuarial Loss/(Gain) due to change in financial assumptions	-	-
Actuarial Loss/(Gain) due to change in demographic	-	-
Actuarial Loss/(Gain) due to experience adjustment for plan liability	-	-
Benefits Paid	(0.05)	(0.11)
<b>Defined benefit obligations as at end of the year</b>	<b>3.10</b>	<b>2.12</b>

**37.6 Reconciliation of Plan Assets**

Particulars	(Rs. In Million)	
	2022-23	2021-22
Plan Asset as at beginning of the year	6.04	7.58
Interest Income	0.68	0.52
Return on plan assets excluding interest income	(0.11)	(0.06)
Contributions by employee	0.05	0.11
Benefits paid	(0.36)	(0.11)
<b>Plan Asset as at end of the year</b>	<b>6.18</b>	<b>8.04</b>

**37.7 Funded Status**

Particulars	(Rs. In Million)	
	Mar. 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Period	(11.29)	(10.16)
Fair Value of Plan Assets at the end of the Period	6.18	8.04
<b>Funded Status / (Deficit)</b>	<b>(3.11)</b>	<b>(2.12)</b>

**37.8 Net amount Charged to Statement of Profit and Loss for the period**

Particulars	(Rs. In Million)	
	Mar. 31, 2023	March 31, 2022
Current service cost	0.70	0.72
Net Interest cost	0.15	0.17
Employer's Contribution	(0.05)	(0.11)
<b>Net amount recognized Statement of Profit and Loss</b>	<b>0.80</b>	<b>0.78</b>





**RATNAVEER PRECISION ENGINEERING LIMITED**

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Notes forming part of the Standalone Financial Information

**37.9. Net amount Recognized to Other Comprehensive Income for the period**

(Rs. In Million)

Particulars	Mar. 31, 2023	March 31, 2022
Actuarial (Gain)/Losses on Obligation For the Period	0.08	(1.23)
Return on plan assets excluding interest income	0.11	0.56
Amounts recognized in Other Comprehensive Income	0.18	(1.17)

**37.10 Actuarial Assumptions**

Particulars	Mar. 31, 2023	March 31, 2022
Expected Return on Plan Assets	7.50%	7.22%
Discount Rate	7.50%	7.22%
Salary Growth Rate	8.00%	6.50%
Rate of Employee Turnover	2.00%	2.00%

**37.11 Sensitivity Analysis for Key Assumption on Defined Benefit Obligation on 31.03.2023**

Assumptions	Change in Assumptions	Increase in Rate		Decrease in Rate	
	%	-	%	-	%
Discount Rate	+/- 1.00%	(0.81)	-8%	1.04	10%
Salary Growth Rate	+/- 1.00%	1.10	11%	(0.97)	(10%)
Rate of Employee Turnover	+/- 1.00%	0.10	1%	(0.11)	(1%)

**37.12 Maturity Profile of the Defined Benefit Obligation**

Projected Benefits Payable in Future Years From the Date of Reporting

For the Year ended on Mar. 31, 2023	Rs. In Million	%
1st Following Year	0.37	1.42%
2nd Following Year	0.31	1.19%
3rd Following Year	1.00	3.88%
4th Following Year	0.33	1.27%
5th Following Year	0.34	1.31%
Sum of Years 6 To 10	5.26	20.25%
Burn of Years 11 and above	18.38	70.73%
<b>TOTAL</b>	<b>25.96</b>	<b>100.00%</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

**38 Financial Risk Management**

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

**A Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk.

**i Interest Rate Risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest risk arises to the Company mainly from borrowings with variable rates. The Company measures risk through sensitivity analysis. The banks are now finance at variable rate only, which is the inherent business risk.

The Company's exposure to interest rate risk is as follows :

(Rs in Million)

Particulars	Mar. 31, 2023	March 31, 2022
<b>Liability</b>		
Term Loans	232.99	199.02
Working Capital Loan - from Banks (including interest Accrued thereon)	627.90	535.97
	<b>860.89</b>	<b>734.99</b>

Particulars	Impact on Profit and Loss after Tax	
	Mar. 31, 2023	March 31, 2022
Interest Rate increase by 0.50 basis point	3.22	2.75
Interest Rate decrease by 0.50 basis point	(3.22)	(2.75)

**ii Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in foreign currencies. The company measures risk through sensitivity analysis.

The Company's exposure to Foreign Currency Risk is as follows:

(Rs in Million)

Particulars	Currency	Mar. 31, 2023	March 31, 2022
<b>Financial Assets</b>			
Trade Receivables	USD	31.49	0.11
	EURO	2.75	0.30
	INR	-	33.56
<b>Financial Liabilities</b>			
Trade Creditors	USD	-	-
	INR	-	-
<b>Net Asset/(Liability)</b>			
USD In INR		2,536.09	8.64
EURO in INR		221.41	24.92



**RATNAVEER PRECISION ENGINEERING LIMITED**

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Notes forming part of the Standalone Financial Information

**Sensitivity Analysis**

Particulars	(Rs in Million)	
	Impact on profit / loss before tax	
	Mar. 31, 2023	March 31, 2022
INR / USD rate changes favourably by 2%	50.72	0.17
INR / USD rate changes unfavourably by 2%	(50.72)	(0.17)
INR / EURO rate changes favourably by 2%	4.43	0.50
INR / EURO rate changes unfavourably by 2%	(4.43)	(0.50)

**B. Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company closely monitors its liquidity position and is attempting to enhance its sources of funding by increasing cash flow generated from its operations and realisations from other proposed measures. The Company measures risk by forecasting cash flows.

The following are the contractual maturities of financial liabilities:

(Rs in Million)					
As at Mar. 31, 2023	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Borrowings	262.66	19.15	21.13	222.38	-
Trade Payables	374.33	374.33	-	-	-
Other Financial Liabilities	-	-	-	-	-
	<b>636.99</b>	<b>393.48</b>	<b>21.13</b>	<b>222.38</b>	<b>-</b>

(Rs in Million)					
As at March 31, 2022	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Borrowings	287.57	22.11	21.14	244.32	-
Trade Payables	412.69	412.69	-	-	-
Other Financial Liabilities	3.35	3.35	-	-	-
	<b>703.61</b>	<b>438.15</b>	<b>21.14</b>	<b>244.32</b>	<b>-</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

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Notes forming part of the Standalone Financial Information

**C Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade receivables, cash and cash equivalent and other financial assets.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company ensures that sales of products are made to customers with appropriate creditworthiness. All trade receivables are also reviewed and assessed for default on a regular basis.

Credit risk arising from cash and cash equivalent and other financial assets is limited due to sound receivable management of the Company.

The maximum exposure to the credit risk at the reporting date from trade receivables after the provision of Allowance for Credit Loss is as under :

Particulars	(Rs in Million)	
	Mar. 31, 2023	March 31, 2022
Trade Receivable	633.72	402.89



# RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

## 39 Financial Instruments

### Disclosure of Financial Instruments by Category

As at Mar 31, 2023

(Rs in Million)

Financial Instruments by categories	Referen ce Note No.	FVTPL	FVTOCI	Amortized Cost	Total Carrying Amount	Fair Value
<b>Financial Asset</b>						
Investment		-	-	-	-	-
Other Financial Assets	7 & 13	-	-	20.32	20.32	20.32
Trade Receivables	10	-	-	633.72	633.72	633.72
Cash and Cash Equivalents	11 & 12	-	-	303.74	303.74	303.74
Loans	6	-	-	-	-	-
<b>Total Financial Assets</b>		<b>-</b>	<b>-</b>	<b>957.78</b>	<b>957.78</b>	<b>957.78</b>
<b>Financial liability</b>						
Borrowings	17 & 19	-	-	2,197.59	2,197.59	2,197.59
Trade Payables	20	-	-	374.33	374.33	374.33
Other Financial Liabilities	21	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,571.92</b>	<b>2,571.92</b>	<b>2,571.92</b>

As at March 31, 2022

(Rs in Million)

Financial Instruments by categories	Referen ce Note No.	FVTPL	FVTOCI	Amortized Cost	Total Carrying Amount	Fair Value
<b>Financial Asset</b>						
Investment		-	-	-	-	-
Other Financial Assets	7 & 13	0.67	-	18.19	18.86	18.86
Trade Receivables	9	-	-	402.89	402.89	402.89
Cash and Cash Equivalents	11 & 12	-	-	196.95	196.95	196.95
<b>Total Financial Assets</b>		<b>0.67</b>	<b>-</b>	<b>618.03</b>	<b>618.70</b>	<b>618.70</b>
<b>Financial liability</b>						
Borrowings	17 & 19	-	-	1,795.95	1,795.95	1,795.95
Trade Payables	19	-	-	412.69	412.69	412.69
Other Financial Liabilities	20	-	-	3.35	3.35	3.35
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,211.99</b>	<b>2,211.99</b>	<b>2,211.99</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**

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Notes forming part of the Standalone Financial Information

(Rs in Million)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at Mar. 31, 2023</b>				
Financial Assets				
Derivative financial Assets	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at March 31, 2022</b>				
Financial Assets				
Derivative financial Assets	-	0.67	-	0.67
<b>Total</b>	-	0.67	-	0.67



# RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

## Notes forming part of the Standalone Financial Information

### 40 Fair Value Measurement of Financial Asset and Financial Liabilities

The Fair value of current financial assets and current financial liabilities measured at amortised cost, are considered to be the same as their carrying amount as they are of short term nature. Hence fair value hierarchy is not given for the same.

The carrying amount of non - current financial assets and non - current financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

#### Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



**RATNAVEER PRECISION ENGINEERING LIMITED**  
**( Formerly Known As RATNAVEER METALS LIMITED )**  
**Notes forming part of the Standalone Financial Information**

**41 Additional Regulatory Information - Analytical Ratios**

Particulars	Numerator	Denominator	31st Mar. 2023	31st March 2022	Variation	Reasons
Current Ratio	Current Assets	Current Liabilities	1.34	1.24	7.52%	Due to improvement in Current assets capare to last year
Debt Equity Ratio	Borrowings	Share Holder's Equity	2.75	2.89	-4.70%	due to Equity Capital increase
Debt Service Coverage Ratio	Earnings available for debt Service (Refer Note i below)	Debt Service	25.26	13.14	92.24%	Due to improvement in operational margins
Return on Equity (ROE):	Net Profit after Taxes	Average Shareholder's Equity	29.12%	15.47%	88.27%	Due to improvement in operational margins
Inventory Turnover Ratio	Cost of Material Consumed + Changes In WIP/ FG	Average Inventory	2.08	2.31	-10.07%	Due to increase in average inventory
Trade receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables	9.26	11.61	-20.28%	Due to efficiency in receivable management
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	11.97	11.30	5.97%	increase due to credit period increase of creditors
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	5.80	8.35	-30.50%	Discrease due to increase in revenue but not so much increase WC
Net Profit Ratio	Net Profit	Revenue from Operations	5.22%	2.22%	135.19%	Improvement in margin followed by optimum utilization of resources and increase in capacity utilization
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	12.62%	9.67%	30.51%	

Note i: Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.





**RATNAVEER PRECISION ENGINEERING LIMITED**  
**( Formerly Known As RATNAVEER METALS LIMITED )**

**Notes forming part of the Standalone Financial Information**

**Note: 42 - First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2021, with a transition date of April 01, 2020. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A Optional Exemptions availed**

**(a) Deemed Cost - Previous GAAP carrying amount**

The company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

**B Applicable Mandatory Exceptions**

**(a) Estimates**

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

**(b) Derecognition of financial assets and financial liabilities**

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively.

**(c) Classification and measurement of financial instrument**

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS except where practicable, measurement of financial assets accounted at amortised cost has been done retrospectively.



**RATNAVEER PRECISION ENGINEERING LIMITED**  
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**Notes forming part of the Standalone Financial Information**

i) Reconciliation of Balance sheet as at March 31, 2021 and April 01, 2020:

(Rs in Million)

Sr.	Particulars	Note Reference	As at March 31, 2021			As at April 01, 2020		
			Regrouped IGAAP	Effects of transition to Ind AS	Ind AS	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
<b>A</b>	<b>ASSETS</b>							
<b>1</b>	<b>Non-current assets</b>							
	Tangible assets		267.18	-	267.18	197.99	-	197.99
	Capital work-in-progress		33.74	-	33.74	36.17	-	36.17
	Intangible assets		51.37	-	51.37	20.32	-	20.32
	Right to Use Assets		-	-	-	-	-	-
	Financial Assets		-	-	-	-	-	-
	Non-current investments		-	-	-	-	-	-
	Loan		4.98	-	4.98	4.98	-	4.98
	Other Financial Assets		15.69	-	15.69	15.14	-	15.14
	Deferred Tax Assets (net)		-	-	-	-	-	-
	Other Non-Current Assets		24.69	-	24.69	26.28	-	26.28
			<b>397.65</b>	<b>-</b>	<b>397.65</b>	<b>299.89</b>	<b>-</b>	<b>299.89</b>
<b>2</b>	<b>Current assets</b>							
	Inventories	C	1,334.61	30.75	1,365.29	1,150.49	3.74	1,154.24
	Financial Assets							
	Current investments		-	-	-	-	-	-
	Trade receivables	C	357.74	(25.23)	332.50	644.02	(4.09)	639.93
	Cash and cash equivalents		7.37	-	7.37	13.79	-	13.79
	Bank Balance other than above		180.32	-	180.32	166.08	-	166.08
	Loans		-	-	-	-	-	-
	Other Financial Assets		2.36	-	2.36	3.62	-	3.62
	Current Income Tax		-	-	-	-	-	-
	Other current assets		283.76	-	283.76	147.29	-	147.29
			<b>2,168.08</b>	<b>(4.48)</b>	<b>2,163.60</b>	<b>2,125.49</b>	<b>(0.95)</b>	<b>2,124.55</b>
			<b>2,563.73</b>	<b>(4.48)</b>	<b>2,559.24</b>	<b>2,425.37</b>	<b>(0.95)</b>	<b>2,424.43</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>							
<b>1</b>	<b>Equity</b>							
	Share capital		61.12	(18.60)	42.52	61.12	(18.50)	42.62
	Other Equity	A,B,C D,E,F	530.66	(7.63)	523.03	467.22	0.48	467.70
			<b>591.80</b>	<b>(26.03)</b>	<b>565.77</b>	<b>528.34</b>	<b>(18.02)</b>	<b>510.32</b>
<b>2</b>	<b>Liabilities</b>							
	<b>Non-current liabilities</b>							
	Financial Liabilities							
	Borrowings	A	214.22	0.48	223.69	282.06	7.84	289.93
	Lease Liabilities		-	-	-	-	-	-
	Other long-term liabilities		-	-	-	-	-	-
	Deferred tax liabilities (net)	D	7.23	14.60	21.83	3.74	9.08	12.82
	Long-term provisions		-	-	-	-	-	-
			<b>221.45</b>	<b>24.08</b>	<b>245.52</b>	<b>285.83</b>	<b>16.92</b>	<b>302.75</b>
<b>3</b>	<b>Current liabilities</b>							
	Financial Liabilities							
	Borrowings	A	1,264.03	(0.15)	1,283.88	1,107.31	(0.21)	1,107.11
	Lease Liabilities		-	-	-	-	-	-
	Trade payables		-	-	-	-	-	-
	Total Outstanding dues of creditors MSME		-	-	-	-	-	-
	Total Outstanding dues of creditors other than MSME		357.71	-	357.71	364.36	-	364.36
	Other Financial Liabilities		0.10	-	0.10	0.33	-	0.33
	Other current liabilities		71.83	-	71.83	60.22	-	60.22
	Current Tax Liabilities (Net)		17.69	-	17.69	46.32	-	46.32
	Short-term provisions	B	19.11	(2.39)	16.72	32.65	0.36	33.02
			<b>1,760.47</b>	<b>(2.54)</b>	<b>1,747.94</b>	<b>1,611.18</b>	<b>0.15</b>	<b>1,611.35</b>
			<b>2,563.72</b>	<b>(4.49)</b>	<b>2,559.23</b>	<b>2,425.35</b>	<b>(0.95)</b>	<b>2,424.42</b>



**RATNAVEER PRECISION ENGINEERING LIMITED**  
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**Notes forming part of the Standalone Financial Information**

i) Reconciliation of Balance sheet as at March 31, 2021 and April 01, 2020:

(Rs in Million)

Sr.	Particulars	Note Reference	As at March 31, 2021			As at April 01, 2020		
			Regrouped IGAAP	Effects of transition to Ind AS	Ind AS	Regrouped ICAAP	Effects of transition to Ind AS	Ind AS
<b>A</b>	<b>ASSETS</b>							
1	<b>Non-current assets</b>							
	Tangible assets		267.18	-	267.18	197.99	-	197.99
	Capital work-in-progress		33.74	-	33.74	36.17	-	36.17
	Intangible assets		51.37	-	51.37	20.32	-	20.32
	Right to Use Assets		-	-	-	-	-	-
	Financial Assets		-	-	-	-	-	-
	Non-current investments		-	-	-	-	-	-
	Loan		4.98	-	4.98	4.98	-	4.98
	Other Financial Assets		15.69	-	15.69	15.14	-	15.14
	Deferred Tax Assets (net)		-	-	-	-	-	-
	Other Non-Current Assets		24.69	-	24.69	25.28	-	25.28
			<b>397.65</b>	<b>-</b>	<b>397.65</b>	<b>299.88</b>	<b>-</b>	<b>299.88</b>
2	<b>Current assets</b>							
	Inventories	C	1,334.51	20.75	1,355.26	1,160.49	3.74	1,154.24
	Financial Assets							
	Current investments							
	Trade receivables	C	357.74	(26.23)	332.50	544.82	(4.69)	539.35
	Cash and cash equivalents		7.37	-	7.37	13.79	-	13.79
	Bank Balance other than above		180.32	-	180.32	166.08	-	166.08
	Loans		-	-	-	-	-	-
	Other Financial Assets		2.36	-	2.36	3.82	-	3.82
	Current Income Tax		-	-	-	-	-	-
	Other current assets		263.78	-	263.78	147.29	-	147.29
			<b>2,166.09</b>	<b>(4.48)</b>	<b>2,161.59</b>	<b>2,125.49</b>	<b>(0.95)</b>	<b>2,124.55</b>
			<b>2,563.73</b>	<b>(4.48)</b>	<b>2,559.24</b>	<b>2,425.37</b>	<b>(0.95)</b>	<b>2,424.43</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>							
1	<b>Equity</b>							
	Share capital		61.12	(18.50)	42.62	61.12	(18.50)	42.62
	Other Equity	A,B,C D,E,F	530.68	(7.53)	523.15	467.22	0.48	467.70
			<b>591.80</b>	<b>(26.03)</b>	<b>565.77</b>	<b>528.34</b>	<b>(18.02)</b>	<b>510.32</b>
	<b>Liabilities</b>							
2	<b>Non-current liabilities</b>							
	Financial Liabilities							
	Borrowings	A	214.22	9.48	223.69	282.00	7.84	289.93
	Lease Liabilities		-	-	-	-	-	-
	Other long-term liabilities		-	-	-	-	-	-
	Deferred tax liabilities (net)	D	7.23	14.60	21.83	3.74	9.08	12.82
	Long-term provisions		-	-	-	-	-	-
			<b>221.45</b>	<b>24.08</b>	<b>245.52</b>	<b>285.83</b>	<b>16.92</b>	<b>302.75</b>
3	<b>Current liabilities</b>							
	Financial Liabilities							
	Borrowings	A	1,284.03	(0.16)	1,283.86	1,107.31	(0.31)	1,107.11
	Lease Liabilities		-	-	-	-	-	-
	Trade payables		-	-	-	-	-	-
	Total Outstanding dues of creditors MSME		-	-	-	-	-	-
	Total Outstanding dues of creditors other than MSME		357.71	-	357.71	364.56	-	364.56
	Other Financial Liabilities		0.10	-	0.10	0.33	-	0.33
	Other current liabilities		71.83	-	71.83	60.22	-	60.22
	Current Tax Liabilities (Net)		17.69	-	17.69	46.32	-	46.32
	Short-term provisions	B	19.11	(2.30)	16.72	32.65	0.36	33.02
			<b>1,750.47</b>	<b>(2.54)</b>	<b>1,747.94</b>	<b>1,611.18</b>	<b>0.16</b>	<b>1,611.35</b>
			<b>2,563.72</b>	<b>(4.49)</b>	<b>2,559.23</b>	<b>2,425.35</b>	<b>(0.95)</b>	<b>2,424.42</b>



## RATNAVEER PRECISION ENGINEERING LIMITED

( Formerly Known As RATNAVEER METALS LIMITED )

Notes forming part of the Standalone Financial Information

### ii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2021:

(Rs in Million)

Sr.	Particulars	Note Reference	Regrouped (GAAP)	Effects of transition to Ind AS	Ind AS
I	Revenue from operations	C	3,616.45	(19.81)	3,596.64
II	Other income	C	44.61	(0.74)	43.87
III	<b>Total Income (I+II)</b>		<b>3,661.06</b>	<b>(20.55)</b>	<b>3,640.51</b>
IV	<b>Expenses</b>				
	Cost of materials consumed		3,224.54	-	3,224.54
	Purchases of stock-in-trade		-	-	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	C	(152.18)	(17.00)	(169.18)
	Employee benefits expenses	B	71.53	(1.91)	69.62
	Finance costs	A	118.82	1.70	120.52
	Depreciation expenses		26.74	-	26.74
	Other expenses	F	272.47	(0.12)	272.35
	<b>Total expenses</b>		<b>3,561.92</b>	<b>(17.33)</b>	<b>3,544.59</b>
V	<b>Profit before exceptional and extraordinary items and Tax (I-IV)</b>		<b>99.14</b>	<b>(3.22)</b>	<b>95.92</b>
VI	Exceptional items		-	-	-
VII	<b>Profit before tax (V-VI)</b>		<b>99.14</b>	<b>(3.22)</b>	<b>95.92</b>
VIII	<b>Tax expense:</b>				
	Current tax expense for current year		20.25	-	20.25
	Current tax expense relating to prior years		11.93	-	11.93
	Deferred tax	D	3.49	5.66	9.15
			<b>35.67</b>	<b>5.66</b>	<b>41.33</b>
IX	<b>Profit from continuing operations (VII-VIII)</b>			<b>54.59</b>	<b>54.59</b>
X	Profit / (Loss) from discontinuing operations (before tax)		-	-	-
XI	Tax expense of discontinuing operations		-	-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-	-
XII	<b>Profit/(loss) from Discontinued operations (X-XI)</b>				
XIII	<b>Profit for the period (IX+XII)</b>		<b>63.47</b>	<b>(8.88)</b>	<b>54.59</b>
XIV	<b>Other Comprehensive Income</b>				
	A (i) Items that will not be reclassified to profit or loss	B	-	(0.58)	(0.58)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	D	-	0.14	0.14
	B (i) Items that will be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-	-
				<b>(0.44)</b>	<b>(0.44)</b>
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>63.47</b>	<b>(9.32)</b>	<b>54.15</b>
	<b>Total comprehensive income for the year</b>		<b>63.47</b>	<b>(9.32)</b>	<b>54.15</b>

### iii) Reconciliation of Total Equity as on March 31, 2021 and March 31, 2020

(Rs in Million)

Particulars	Note No.	As at April 01, 2020	As at March 31, 2021	
<b>Total Equity as per IGAAP</b>		591.80	528.34	-
Financial Liabilities at Amortised Cost	A	0.33	1.23	-
Re-Classification of Financial Instruments	A	(9.55)	(8.55)	-
Revenue Recognition	C	(4.49)	(0.94)	-
Deferred Tax	D	(14.60)	(9.08)	-
Defined Benefit Obligation	B	2.39	(0.36)	-
<b>Total Equity as per IND AS</b>		<b>565.77</b>	<b>510.33</b>	

### iv) Adjustments to Statement of Cash Flows

On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2021



**A Equity Compound Instrument**

In accordance with IND AS 109 "Financial Instruments", Financial instruments are reclassified as Financial Liability and measured as per the Amortized Cost method.

Interest bearing financial liabilities are measured at Amortized Cost using effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

**B Remeasurement of defined benefit liabilities**

Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income.

**C Revenue Recognition**

In accordance with IND AS 115 "Revenue from contract with customer", revenue is recognised in a year in which all the performance obligation is satisfied.

**D Deferred Tax**

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using 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.

**E Other Comprehensive Income**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

**F Prior Period Expense**

In accordance with IND AS, prior period expenses / incomes are recognised in a year in which it relates.



**RATNAVEER PRECISION ENGINEERING LIMITED**

(Formerly Known As RATNAVEER METALS LIMITED)

Notes forming part of the Standalone Financial Information

**43 List of Related Parties & Relationship;**

Sr. No.	Particulars	Name of the Related Parties
1	Key Managerial Personnel (KMP)	Vijay Sanghavi Prerna Trivedi Babulal Chapiro
2	Relatives of Key Managerial Personnel	Seema Vijay Sanghavi Briyanshi Vijay Sanghavi Rishi Vijay Sanghavi Smita Verdia
3	Enterprises overwhich KMP having significant influence	Vijay Sanghavi HUF Ratnaveer Industries

**43.1 Disclosure of material transactions with Related Party:**

		(Rs in Million)	
Sr. No.	Particulars	2022-23	2021-22
1	Loan Transactions		
1.1	With KMP		
	Loan Taken from		
	Vijay Sanghavi	146.43	97.03
	Seema V Sanghavi	0.19	-
		<b>146.62</b>	<b>97.03</b>
	Loan repaid to		
	Vijay Sanghavi	154.64	82.13
		<b>154.64</b>	<b>82.13</b>
2	Expenses		
2.1	Interest Expenses		
	Vijay Sanghavi	8.69	8.69
		<b>8.69</b>	<b>8.69</b>
2.2	Directors' Remuneration		
	Vijay Sanghavi	5.40	5.40
	Babulal Chapiro	0.84	0.84
		<b>6.24</b>	<b>6.24</b>
2.3	Employee Benefit Expenses		
	Seema Sanghavi	1.50	1.50
	Briyanshi Vijay Sanghavi	0.60	0.20
	Prerana Trivedi	0.20	-
		<b>2.40</b>	<b>1.70</b>
2.4	Rent Paid		
	Vijay Sanghavi	0.00	0.00
	Seema Sanghavi	0.00	0.00
	Ratnaveer Industries	7.20	7.20
	Vijay Sanghavi HUF	0.30	0.30
		<b>8.70</b>	<b>8.70</b>
3	Balance outstanding		
	Loan payable		
	Vijay Sanghavi	102.13	111.33
	Seema V Sanghavi	0.19	-
		<b>102.32</b>	<b>111.33</b>
3.1	Balance outstanding		
	Employees		
	Vijay Sanghavi	0.35	0.35
	Seema Sanghavi	0.22	0.11
	Briyanshi Sanghavi	0.10	-
	Prerana Trivedi	0.04	-
	Babulal Chapiro	0.14	0.20
		<b>0.85</b>	<b>0.66</b>

**43.2 Compensation of Key Managerial Personnel of the Company**

		(Rs in Million)	
Particulars	2022-23	2021-22	
Short Term Employee Benefits	8.52	7.94	
Director's Sitting Fees	0.63	0.12	
Post employment benefits	-	-	
Termination Benefits	-	-	
Share Based Payments	-	-	

**43.3** The transactions with related parties are made on terms equivalent to those that prevail in arm's

**43.4** The related party balances outstanding are routine in nature as per ordinary course of business


**RATNAVEER PRECISION ENGINEERING LIMITED**  
( Formerly Known As RATNAVEER METALS LIMITED )



**Note -44**  
Transactions with Related Parties :

Particulars	KMP		Relatives of KMP		Enterprises		Total	
	As At Mar2023	2021-22	As At Mar2023	2021-22	As At Mar2023	2021-22	As At Mar2023	2021-22
<b>1 Liabilities</b>								
Loan taken	145.62	97.03	-	-	-	-	145.62	97.03
Loan Repayment	154.04	83.13	-	-	-	-	154.04	83.13
<b>2 Expenses</b>								
Interest Expense	8.69	8.69	-	-	-	-	8.69	8.69
Rent	0.60	0.60	0.90	0.90	7.20	7.20	8.70	8.70
Employee Benefit Exp	-	-	2.40	1.70	-	-	2.40	1.70
Director's Remuneration	6.22	6.24	-	-	-	-	6.22	6.24
<b>3 Outstanding Balances</b>								
<b>Liabilities</b>								
Employees Benefit Payable	0.53	0.55	0.32	0.11	-	-	0.85	0.85
Loans Payable	102.32	111.33	-	-	-	-	102.31	111.33

**RATHAVEER PRECISION ENGINEERING LIMITED**  
**( Formerly Known As RATNAVEER METALS LIMITED )**  
**Notes Forming Part of Standalone Financial Statements as on 31st Mar. 2023**

**45 Segment Information**

**45.1 Primary Segment:**

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reporting segment is only one segment i.e. manufacture and exporting of Stainless Steel Washers, Sheet Metal Products, Stainless Tube & Pipe and Stainless Steel Finished Steel segment.

**45.2 Information about major customers:**

There are two customers (two in 2023) who individually accounted for revenue more than 10% of total revenue of the company.

(Rs. in Million)

	As At Mar. 2023	Year ended 31-Mar-2022
<b>Revenue from such customers</b>		
Customer attributing highest revenue	869.51	739.29
Customer attributing second highest revenue	654.56	291.26

**45.3 Secondary Segment - Geographical Segment**

The analysis of geographical segment is based on geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India : Sales to Customer located within India.  
 Sales outside India : Sales to Customer located outside India.

Information pertaining to Secondary Segment:

(Rs. in Million)

Country	As At Mar. 2023	2021-22
Within India	3,875.39	3,631.73
Outside India		
Austria	15.92	12.61
France	4.55	1.62
Hungary	27.33	42.35
Germany	577.91	480.26
Israel	0.44	-
Italy	122.01	100.54
Turkey	-	1.59
Netherland	-	25.72
Poland	30.43	45.99
Spain	41.00	37.86
Sweden	-	-
Brazil	-	5.29
UAE	5.00	-
U.K.	73.26	36.40
U.S.A.	19.18	12.85
<b>Total</b>	<b>4,797.30</b>	<b>4,366.77</b>

**46: Details of Loan given, Investment made and Guarantee given-pursuant section 186 (4) of the Companies Act, 2013 :**

Loans given are shown under the respective heads. All Loans given are to the employees of the company. There are no corporate guarantees given by the company in respect of loans as at March 31, 2023.

**47: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.**





**RATNAVEER PRECISION ENGINEERING LIMITED**  
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Notes Forming Part of Standalone Financial Statements as on 31st Mar., 2023

**40. Corporate Social Responsibility Contribution**

(Rs. In Million)

Particulars	As At Mar. 2023	Year ended 31-Mar-2023
Amount required to be spent by the company during the year:	2.24	2.02
Amount of expenditure incurred on:		
(i) Construction of an Asset	-	-
(ii) On purpose other than (i) above	4.34	2.05
shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Multi Speciality Hospital	Multi Speciality Hospital
Details of related party transactions in relation to CSR expenditure as per relevant Indian Accounting	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

**49.** The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account

**50.** Certain Quantity of Stock of Stores & Spares and Packing Material are slow Moving /Non Moving however in view of the Management same is realizable And hence no provision for the same is made.

**51. Undisclosed Transactions**

As stated & confirmed by the Board of Directors, The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1991 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**52. Benami Transactions**

As stated & confirmed by the Board of Directors, The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

**53. Loan or investment to Ultimate Beneficiaries**

As stated & Confirmed by the Board of Directors, The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**54. Loan or investment from Ultimate Beneficiaries**

As stated & Confirmed by the Board of Directors, The Company has not received any fund from any person(s) or entity(ies), including foreign entities

- (a) 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)
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



**65 Working Capital**

As stated and confirmed by the Board of Directors, The Company has been sanctioned working capital facilities during the year under review and inventory records submitted with the banks are in conformity with books of accounts.

**66 Willful Defaulter**

As stated & Confirmed by the Board of Directors, The company has not been declared willful defaulter by the bank during the year under review.

**67 Transactions with Struck off Companies**

As stated & Confirmed by the Board of Directors, The company has not under taken any transactions nor has outstanding balance with the company Struck Off either under section 248 of the Act or under Section 580 of Companies act 1956.

**68 Satisfaction of Charge**

As stated & Confirmed by the Board of Directors, The company does not have any pending registration or satisfaction of charges with ROC beyond the statutory period.

**69 Crypto Currency**

As stated & Confirmed by the Board of Directors, The Company has not traded or invested in Crypto Currency or Virtual Currency.

**60 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023.**

**(i) Ind AE 1 – Disclosure of material accounting policies:**

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statement.

**(ii) Ind AS 8 – Definition of accounting estimates:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**(iii) Ind AS – Income Taxes**

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind Asx, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible

temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

(a) right-of-use assets and lease liabilities.

(b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related assets.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amounts of right-of-use assets and lease liabilities

**(iv) Ind AS 103 – Common control Business Combination**

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

**61 Research & Development**

**Introduction:**

Global competition encourages companies to seek for a more innovative way to survive. More and more complex R&D -based activities are introduced and the managerial approach is extremely important, while R&D by its nature requires special managerial attitude. The benefits include closing the gap between theory and technology.

**Problem Statement**

In our Single cavity production process we are facing low productivity, higher process cost and low production end of the day. And also not able to meet customers delivery requirements.

**Concept of the Project**

To research and develop automatic / semi-automatic process set up to solve above problems. Our main object is -

1. To increase productivity
2. To save labour cost
3. To reduce process cost
4. To reduce process time



**RATNAVEER PRECISION ENGINEERING LIMITED**  
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**Notes Forming Part of Standalone Financial Statements as on 31st Mar. 2023**

Company is continuously engaged in Research & Development of new product/modification of existing products in which the the Company operates. detail of Expenses incurred on Research & Development activities during the year are as under:-

(Rs. in Million)

PARTICULARS	2022-23	2021-22
Raw material	80.03	37.27
salary expense	2.01	1.81
Electricity, Power and Fuel Expense	0.57	0.84
Provident Fund	0.11	-
Freight Charges Inward	0.22	-
<b>TOTAL RS</b>	<b>83.24</b>	<b>39.72</b>

**62. Detail of Revenue From Contract with customers**

(Rs. in Million)

Particulars	2022-23	2021-22
Total revenue from contracts with	4,797.30	4,268.77
Less: Significant finan. component/grant	-	-
Add Cash Discount/rebate/etc.	0.11	2.49
<b>Total revenue as per Contracted Price</b>	<b>4,797.41</b>	<b>4,271.27</b>

**63** Since the entity does not have any subsidiaries, the details of its layers same have not been Presented, not applicable

(Rs. in Million)

**64** The company has following loans and advances which are given without specifying any terms or period of repayment.

Type of Borrower	In the nature of loan	Loans and Advances
Promoter	NIL	NIL
Directors	NIL	NIL
KMPs	NIL	NIL
Related Parties	NIL	NIL

**65 A Non-adjusting items:**

a) Audit qualifications for the respective years, which do not require any adjustments in the restated Financial Information are as follows:

-There are no audit qualifications in auditor's report year ended 31st March 2023, 31st March 2022, respectively.

b) Auditor's Comment in annexure to auditors' Report, which do not require any corrective adjustments in the Restated Financial Information:

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters indicated in the Companies (Auditor's Report) Order, 2020 Companies (Auditor's Report) Order, 2016 (together, the "CARO Report") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31st March 2023, 31st March 2022, respectively. There are no such statements/comments included in the CARO in the financial statements, requiring any adjustments in the Restated Financial Information.

(b) Reconciliation of restated Equity/ Networth

**65 B**

(Rs. in Million)

Particulars	As At	
	31-Mar-23	31-Mar-22
Total Equity (As per Audited Financial Statements)	1,060.54	881.09
Restatement adjustments:	-	-
The company has following loans and advances which are given without specifying any terms or period of repayment.	-	-
Change in Gratuity Provision treatment	-	0.64
Change in deferred tax	-	0.80
IPD expense utilised against security premium	-	(2.55)
<b>Adjusted Total Equity</b>	<b>1,060.54</b>	<b>859.78</b>
Total equity as per Restated Statement of Assets and Liabilities	1,060.54	859.78



**RATNAVEER PRECISION ENGINEERING LIMITED**  
(Formerly Known As RATNAVEER METALS LIMITED)

Notes Forming Part of Standalone Financial Statements as on 31st Mar, 2023

Total equity as per Restated Statement of Assets and Liabilities	1,000.64	629.71
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(c) Reconciliation of Items of Restated Statement of Assets and Liabilities

(Rs. in Million)

Particulars	As At	
	31-03-2023	31-03-2022
Short term provision, (As per Audited Financial Statements)	24.93	19.75
Restatement adjustments:	-	-
Change in provision for expenses	-	(1.24)
Adjusted Short term provision	-	18.51
Short term provision (As per Restated Statement of Assets and Liabilities)	24.93	18.51

(d) Explanatory notes for the restatement adjustments

(i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same reported to.

(ii) Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.

**Significant Accounting Policies - Note 1 to 4**

Note No. 5 to 66 forming Part of Standalone Financial Statements

As per our report of even date attached  
For Parthaj R Shah & Associates  
Chartered Accountants  
Firm Regn. No. 107361W

**N.R. Shah**  
CA Nilesh Shah  
Partner  
Membership No. - 107414  
UDIN: 23107414BGUIYY29284  
Place: Ahmedabad  
Date: 16-06-2023



For and on behalf of Board of Directors of  
**RATNAVEER PRECISION ENGINEERING LIMITED**  
(Formerly Known As RATNAVEER METALS LIMITED)  
CIN: U27100GJ2005PLC004040

**B. S. Chiplot**  
Whole Time Director  
DIN: 03639750  
Place: Vadodra  
Date: 16-06-2023

**Vijay Sanghani**  
Managing Director & CFO  
DIN: 09498922

**Priyansu Trivedi**  
Company Secretary  
M.No. A37478

