

NOTICE IS HEREBY GIVEN THAT THE 9<sup>th</sup> ANNUAL GENERAL MEETING OF SHARVAYA METALS PRIVATE LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2023 AT 11:00 A.M. (IST) AT ITS REGISTERED OFFICE SITUATED AT GAT NO 59,NAGAR KALYAN ROADBHAWANI, TAL-PARNER,PARNER, AHMEDNAGAR – 414302, MAHARASHTRATO TRANSACT THE FOLLOWING BUSINESS:

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended March 31, 2023 including the Audited Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss of the Company for the year ended on that date and notes related thereto together with Board's Report and the Report of Auditor's thereon:

By order of the Board of Directors  
For SHARVAYA METALS PRIVATE LIMITED,



SHREYANS KATARIYA  
DIRECTOR, DIN: 06787617



DATE: August 28, 2023

PLACE: Ahmednagar

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy/proxies to attend and vote instead of himself/herself and proxy/proxies need not be a Member of the Company. The proxies, in order to be valid, must be duly completed, stamped and signed and must reach the Company's Registered Office not less than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as his proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is attached

herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the General Meeting.
3. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the General Meeting.
4. Members/Proxies should bring their duly filled Attendance Slips sent herewith for attending the meeting.
5. Explanatory Statement is not required under Section 102 of the Companies Act, 2013.

## DIRECTORS' REPORT

To,  
The Members,  
**SHARVAYA METALS PRIVATE LIMITED**

Your Directors' have pleasure in presenting the Boards' Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

### 1) FINANCIAL RESULTS

The financial highlights of your Company for the year ended March 31, 2023 are summarized as under:

(in Rupees)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	70,43,04,300.54	40,80,13,855.86
Other income	9,99,335.45	14,81,210.69
<b>Total Income</b>	<b>70,53,03,635.99</b>	<b>40,94,95,066.55</b>
<b>Less: Expenditure</b>		
Cost of material consumed	64,65,22,900.81	37,49,44,710.41
Changes in inventories	(35,69,769.00)	(15,00,341.00)
Employees benefit expenses	27,28,260.00	10,57,334.00
Finance costs	1,31,01,158.00	1,21,37,497.34
Depreciation and amortization expenses	27,56,715.00	26,81,017.00
Other expenses	2,26,03,558.42	1,55,92,889.77
<b>Total Expenditure</b>	<b>68,41,42,823.23</b>	<b>40,49,13,107.52</b>
<b>Profit/ (Loss) for the year (before tax)</b>	<b>2,11,60,812.76</b>	<b>45,81,959.03</b>
<b>Less: Tax expenses</b>		
Current Tax	13,34,325	-
Deferred Tax	-	-
Excess/short provision relating earlier year tax	-	-
<b>Profit/ (Loss) after Tax for the year</b>	<b>1,98,26,487.76</b>	<b>45,81,959.03</b>
<b>Earnings per share (EPS)</b>	<b>66.08</b>	<b>15.27</b>

**2) OPERATIONS**

During the year under review, the total revenue of your Company from its operations was increased to Rs. 70,43,04,300.54/- for the year under review as compared to Rs. 40,80,13,855.86/- in the previous year, reflecting growth of approx. 72.62%.

After meeting expenses and tax expenses, your Company had earned profit of Rs. 1,98,26,487.76/- for the year under review as compared to net profit of Rs. 45,81,959.03/- during the previous year, reflecting growth in net profit of around 332.71%.

**3) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As on March 31, 2023, your Company does not have any Subsidiary and Joint Ventures.

**4) DIVIDEND**

Your Directors regret that with a view to conserve resources, no dividend was recommended on Equity Share Capital of your Company.

Further, as per the provisions of Section 125(2) of the Companies Act, 2013, during the year under review there was no unpaid or unclaimed dividend that was required to be transferred to unpaid dividend account.

**5) TRANSFER TO RESERVE**

Your Company does not propose to transfer any amount to any specific Reserves.

**6) DIRECTORS AND KEY MANAGERIAL PERSON**

The Board of Directors of your Company is duly constituted.

None of the Directors of your Company are disqualified under Section 164 of the Companies Act, 2013.

During the year under review, there were no changes in the composition of the Board of Directors of the Company. Following are the Directors as on March 31, 2023:

- i). Mr. Shreyans Ravindra Katariya, Director (DIN: 06787617)
- ii). Mr. Balkrishna Jalindar Kale, Director (DIN: 08067309)

**7) INDEPENDENT DIRECTORS**

Your Company is a Private Limited Company and hence provisions of Section 149(4) read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 are not applicable to a Private Limited Company.

Considering the same, your Company is not required to appoint Independent Director on its Board.

**8) DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (5) of the Companies Act, 2013;

- i). In the preparation of the Annual Accounts of your Company, the applicable Accounting Standards had been followed.
- ii). 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 your Company at the end of the year on March 31, 2023 and Profit or Loss for the year ended as on that date.
- iii). 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 your Company and preventing and detecting fraud and other irregularities.
- iv). The Directors had prepared the Annual Accounts on a going concern basis.
- v). 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.

**9) MEETINGS OF THE BOARD**

4 (Four) meetings of the Board of Directors were held during the year under review.

The intervening gap between any two meetings was not more than as prescribed under the Companies Act, 2013 and/or as per the extension/relaxation provided by the Ministry of Corporate Affairs from time to time.

The details of Board meetings are given below:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	May 19, 2022	2	2
2.	August 31, 2022	2	2
3.	December 10, 2022	2	2
4.	March 31, 2023	2	2

**10) SECRETARIAL STANDARDS**

Your Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

**11) SHARE CAPITAL**

There was no issue of Shares, Sweat Equity Share, issue of Employees' stock option, or provision of money by your Company for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

The issued, subscribed and paid-up share capital of your Company as on **March 31, 2023** was Rs. 3,00,00,000/- (Rupees Three Crores only) comprising 3,00,000 (Three Lacs) Equity Shares of Rs. 100/- (Rupees One Hundred only) each:

**12) PARTICULARS OF EMPLOYEES**

The information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable, since during the year under review none of the employees of your Company was in receipt of remuneration in excess of the limits specified, whether employed for the whole year or part thereof.

**13) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**A) Conservation of Energy:**

**i) The steps taken or impact on conservation of energy:**

The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has strengthened its commitment towards becoming an environment-friendly organization by taking measures for conservation of power and energy and to reduce the wastage of scarce energy resources.

**ii) the steps taken by the Company for utilising alternate sources of energy:**

The Company is using electricity as main source of its energy requirement and not having/exploring any alternate source of energy at present.

**iii) The capital investment on energy conservation equipments: Not Applicable**

**B) Technology Absorption:**

**i) The efforts made towards technology absorption:**

During the year the Company has not absorbed any technology.

**ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable**

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable**

**iv) Expenditure incurred on Research and Development:**

The Company has not undertaken any Research and Development activities during the year under review.

**C) Foreign Exchange Earnings and Outgo:**

The Company has done business operation involving foreign exchange inflow and outflow. Hence, during the year, the Company had following foreign earning and expenditure:

(in Rupees)

<b>Particulars</b>	<b>Financial year 2022-2023</b>	<b>Financial year 2021-2022</b>
Foreign exchange earnings	11929727.01	84376480.56
Foreign exchange outgo	420649372.13	135789935.00

**14) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees/security or investments made by your Company under Section 186 of the Companies Act, 2013 during the year under review.

**15) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Your Company has entered into transactions with related parties that are on arm's length principles and in ordinary course of business under the provisions of Section 188 of the Companies Act, 2013.

The details of transactions are furnished in prescribed format of Form AOC-2 as per provision of Section 188 of the Companies Act, 2013 and annexed herewith as 'Annexure -I' forming part of this Report.

**16) ANNUAL RETURN**

Pursuant to sub section (3) of Section 92 of the Companies Act 2013, read with relevant rules, Companies are required to place its Annual Return on its website and provide a link of the same in the Boards' Report. However, at present, your Company's website is under construction so, Annual Return haven't be published on the website.

**17) SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company is not required to obtain Secretarial Audit Report.

**18) PUBLIC DEPOSITS**

Your Company has neither invited nor accepted/renewed any 'Deposit' from public within the meaning of the term 'Deposits' under the Companies (Acceptance of Deposits) Rules 2014, as amended from time to time.

**19) STATUTORY AUDITORS**

M/s. Vishal Gandhi and Associates, Chartered Accountant (Membership No: 129771), were re-appointed as Statutory Auditors of your Company they hold office till the conclusion of the Annual General Meeting to be held for the financial year ended March 31, 2027.

Pursuant to Section 139 and 141 of the Companies Act and relevant Rules prescribed thereunder, the Statutory Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of your Company.

**20) AUDITORS' REPORT**

The Auditors in their Report have furnished the relevant information as is required from them in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark and there were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**21) REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12)**

There were no incidences of reporting of frauds by Statutory Auditors of your Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**22) INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to financial statements.

**23) CORPORATE SOCIAL RESPONSIBILITY**

Your Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

**24) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and your Company's future operations.

**25) MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED DURING THE YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AS ON THE DATE OF THIS REPORT**

No material changes and commitments affecting the financial position of your Company occurred during the year to which these financial statements relate as on the date of this report.

**26) RISK MANAGEMENT**

The Board of Directors of your Company manages and monitor the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organizational structures, processes, standards, codes and behaviors that govern how your Company conducts its business and manages associated risks.

**27) SEXUAL HARASSMENT OF WOMEN**

Your Company has zero tolerance on Sexual Harassment at the workplace. During the year under review there were no complaints received under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**28) MAINTENANCE OF COST RECORDS**

Your Company is not required to maintain Cost Records prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

**29) DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

There are no application(s) made and there are no proceeding(s) pending relating to your Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**30) OTHER DISCLOSURES**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – **Not applicable.**

**31) ACKNOWLEDGEMENTS:**

Your Directors acknowledge with gratitude the co-operation and assistance given by the employees, stake-holders, support-team(s) and the Bankers during the year under review and are confident that your Company will continue to receive such support in the years ahead.

**For and on behalf of the Board of Directors of  
SHARVAYA METALS PRIVATE LIMITED**


**SHREYANS KATARIYA, CHAIRMAN**  
DIN – 06787617

**Add: 1267, Pratibha, Dalmandai, Ahmednagar- 414001**

**Date: August 28, 2023**

**Place: Ahmednagar**

**SHARVAYA METALS PVT LTD**

**GAT NO 59, 17 KM STONE,  
NAGAR – KALYAN ROAD,  
BHALWANI, TAL - PARNER**

**DIST – AHMEDNAGAR – 414103**

**Accounting Year 2022-2023**

**Assessment Year 2023-2024**

## INDEPENDENT AUDITOR'S REPORT

To  
**THE MEMBERS OF SHARVAYA METALS PRIVATE LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of SHARVAYA METALS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we does not have observed any key audit matters required to be reported separately.



### **Other Matters:**

The continuous spreading of COVID -19 across India has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

### **Information Other than the 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 Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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



### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is



sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements



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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.




- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

Date : 28.08.2023  
Place: Ahmednagar  
UDIN : 23129771BGZBNH7690



For Vishal Gandhi and Associates  
Chartered Accountants

  
(Vishal. P. Gandhi)  
Partner

Membership No: 129771

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Annexure to in paragraph 1 under the heading "Report on other Legal and Regulatory requirements" of our aforesaid Report on standalone financial statements for the year ended March 31, 2023, We report that

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As informed to us, the fixed assets have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
  - c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties classified as property plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of verification is reasonable; compared to the book records, and no material discrepancies have been notice during such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- (iv) The Company has not given guarantees for loans taken by others from banks and financial institutions.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for the activities of the Company.



- (vii) In respect of statutory dues:
- a) The Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Services Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues applicable to it.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - c) According to records of company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.
- (ix) The Company has raised moneys by way of initial public offer or term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
- (xii) The Company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013.



related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date : 28.08.2023  
Place: Ahmednagar  
UDIN :23129771BGZBNH7690



For Vishal Gandhi and Associates  
Chartered Accountants

*VPG*

(Vishal. P. Gandhi)  
Partner

Membership No: 129771

**Sharvaya Metals Pvt. Ltd.**

Gat No-59, 17 KM Stone, Nagar – Kalyan Road

Village Bhalwani, Tal Parner,

Dist - Ahmednagar – 414 103

Manufacturing, Profit and Loss Accounts

For the year Ended 31/03/2023

And Balance Sheet as on that date

Balance Sheet as at 31st March 2023

₹ in rupees

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	1	3,00,00,000.00	3,00,00,000.00
Reserves and surplus	2	3,91,08,195.97	1,92,81,708.21
Money received against share warrants			
		<b>6,91,08,195.97</b>	<b>4,92,81,708.21</b>
<b>Share application money pending allotment</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	3	1,02,16,283.00	1,85,24,619.00
Deferred tax liabilities (Net)			
Other long term liabilities	4	4,92,01,000.00	6,92,08,480.00
Long-term provisions			
		<b>5,94,17,283.00</b>	<b>8,77,33,099.00</b>
<b>Current liabilities</b>			
Short-term borrowings	5	8,97,73,529.66	9,09,81,388.63
Trade payables	6		
(A) Micro enterprises and small enterprises			
(B) Others		7,21,88,800.52	1,77,77,305.63
Other current liabilities		4,65,434.17	1,86,923.50
Short-term provisions		13,34,325.00	
		<b>16,37,62,089.35</b>	<b>10,89,45,617.76</b>
<b>TOTAL</b>		<b>29,22,87,568.32</b>	<b>24,59,60,424.97</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible assets	7		
Property, Plant and Equipment		7,28,93,039.26	7,44,05,672.48
Intangible assets			
Capital work-in-Progress			
Intangible assets under development			
Non-current investments			
Deferred tax assets (net)			
Long-term loans and advances			
Other non-current assets			
		<b>7,28,93,039.26</b>	<b>7,44,05,672.48</b>
<b>Current assets</b>			
Current investments			
Inventories	8	13,51,63,117.00	- 10,99,75,511.30
Trade receivables	9	7,91,61,920.33	5,27,71,281.68
Cash and cash equivalents	10	4,30,691.27	35,574.27
Short-term loans and advances			
Other current assets	11	46,38,800.46	87,72,385.24
		<b>21,93,94,529.06</b>	<b>17,15,54,752.49</b>
<b>TOTAL</b>		<b>29,22,87,568.32</b>	<b>24,59,60,424.97</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For VISHAL GANDHI AND ASSOCIATES  
 Chartered Accountants  
 (FRN: 0129211W)

VPG  
 VISHAL PRAKASH GANDHI  
 PARTNER  
 Membership No.: 129771  
 Place: AHMEDNAGAR  
 Date : 28.08.2023  
 UDIN : 23129771BGZBNH7690



For and on behalf of the Board of Directors  
 KATARIYA SHREYANS  
 RAVINDRA  
 Director  
 DIN: 06787617

BALKRISHNA JALINDAR KALE  
 Director  
 DIN: 08067309

Statement of Profit and loss for the year ended 31st March 2023

₹ in rupees

Particulars	Note No.	31st March 2023	31st March 2022
<b>Revenue</b>			
Revenue from operations	12	70,43,04,300.54	40,80,13,855.86
Less: Excise duty			
<b>Net Sales</b>		<b>70,43,04,300.54</b>	<b>40,80,13,855.86</b>
Other income	13	9,99,335.45	14,81,210.69
<b>Total Income</b>		<b>70,53,03,635.99</b>	<b>40,94,95,066.55</b>
<b>Expenses</b>			
Cost of material Consumed	14	64,65,22,900.81	37,49,44,710.41
Purchase of stock-in-trade			
Changes in inventories	15	(35,69,769.00)	(15,00,341.00)
Employee benefit expenses	16	27,28,260.00	10,57,334.00
Finance costs	17	1,31,01,158.00	1,21,37,497.34
Depreciation and amortization expenses	18	27,56,715.00	26,81,017.00
Other expenses	19	2,26,03,558.42	1,55,92,889.77
<b>Total expenses</b>		<b>68,41,42,823.23</b>	<b>40,49,13,107.52</b>
<b>Profit before exceptional, extraordinary and prior period items and tax</b>		<b>2,11,60,812.76</b>	<b>45,81,959.03</b>
Exceptional items			
<b>Profit before extraordinary and prior period items and tax</b>		<b>2,11,60,812.76</b>	<b>45,81,959.03</b>
Extraordinary items			
Prior period item			
<b>Profit before tax</b>		<b>2,11,60,812.76</b>	<b>45,81,959.03</b>
<b>Tax expenses</b>			
Current tax			
Deferred tax		13,34,325.00	
Excess/short provision relating earlier year tax			
<b>Profit(Loss) for the period</b>		<b>1,98,26,487.76</b>	<b>45,81,959.03</b>
<b>Earning per share</b>			
<b>Basic</b>			
Before extraordinary Items		Rs 66.08	Rs 15.27
After extraordinary Adjustment			
<b>Diluted</b>			
Before extraordinary Items		Rs 66.08	Rs 15.27
After extraordinary Adjustment			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For VISHAL GANDHI AND ASSOCIATES

Chartered Accountants

(FRN: 0129211W)

VISHAL PRAKASH GANDHI  
PARTNER

Membership No.: 129771

Place: AHMEDNAGAR

Date : 28.08.2023

UDIN : 23129771BGZBNH7690



KATARIYA SHREYANS  
RAVINDRA  
Director  
DIN: 06787617

For and on behalf of the Board of Directors

BALKRISHNA JALINDAR KALE  
Director  
DIN: 08067309

Notes to Financial statements for the year ended 31st March 2023

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note No. 1 Share Capital

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised :</b>		
300000 (31/03/2022:300000) Equity shares of Rs. 100.00/- par value	3,00,00,000.00	3,00,00,000.00
<b>Issued :</b>		
300000 (31/03/2022:300000) Equity shares of Rs. 100.00/- par value	3,00,00,000.00	3,00,00,000.00
<b>Subscribed and paid-up :</b>		
300000 (31/03/2022:300000) Equity shares of Rs. 100.00/- par value	3,00,00,000.00	3,00,00,000.00
<b>Total</b>	<b>3,00,00,000.00</b>	<b>3,00,00,000.00</b>

Note No. 2 Reserves and surplus

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Surplus</b>		
Opening Balance	1,92,81,708.21	1,46,99,749.18
Add: Profit for the year	1,98,26,487.76	45,81,959.03
Less : Deletion during the year		
<b>Closing Balance</b>	<b>3,91,08,195.97</b>	<b>1,92,81,708.21</b>
Balance carried to balance sheet	3,91,08,195.97	1,92,81,708.21

Note No. 3 Long-term borrowings

₹ in rupees

Particulars	As at 31st March 2023			As at 31st March 2022		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
<b>Term Loan - From banks</b>						
Indian Bank GECL Loan	1,02,16,283.00		1,02,16,283.00	1,85,24,619.00		1,85,24,619.00
	1,02,16,283.00		1,02,16,283.00	1,85,24,619.00		1,85,24,619.00
<b>The Above Amount Includes</b>						
Secured Borrowings	1,02,16,283.00		1,02,16,283.00	1,85,24,619.00		1,85,24,619.00
<b>Net Amount</b>	<b>1,02,16,283.00</b>	<b>0</b>	<b>1,02,16,283.00</b>	<b>1,85,24,619.00</b>	<b>0</b>	<b>1,85,24,619.00</b>

Note No. 4 Other long term liabilities

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured Loans	4,92,01,000.00	6,92,08,480.00
	4,92,01,000.00	6,92,08,480.00
<b>Total</b>	<b>4,92,01,000.00</b>	<b>6,92,08,480.00</b>

Note. Provisions

₹ in rupees

Particulars	As at 31st March 2023			As at 31st March 2022		
	Long-term	Short-term	Total	Long-term	Short-term	Total
<b>Other provisions</b>						
Current tax provision		13,34,325.00	13,34,325.00			
		13,34,325.00	13,34,325.00			
<b>Total</b>		<b>13,34,325.00</b>	<b>13,34,325.00</b>			



**Note No. 5 Short-term borrowings**

Particulars	₹ in rupees	
	As at 31st March 2023	As at 31st March 2022
Loans Repayable on Demands - From banks		
Indian Bank Cash Credit	8,97,73,529.66	9,09,81,388.63
	8,97,73,529.66	9,09,81,388.63
<b>Total</b>	<b>8,97,73,529.66</b>	<b>9,09,81,388.63</b>

**Note No. 6 Trade payables**

Particulars	₹ in rupees	
	As at 31st March 2023	As at 31st March 2022
Trade Payables	7,21,88,800.52	1,77,77,305.63
<b>Total</b>	<b>7,21,88,800.52</b>	<b>1,77,77,305.63</b>

**Note No. Other current liabilities**

Particulars	₹ in rupees	
	As at 31st March 2023	As at 31st March 2022
Others payables		
CGST RCM Payable	7,314.00	25,785.29
SGST RCM Payable	7,314.00	25,785.29
Wages Payable	2,20,150.00	96,660.00
TDS Payable	1,82,858.17	18,349.17
IGST RCM Payable	5,950.00	20,343.75
TCS Payable	41,848.00	
<b>Total</b>	<b>4,65,434.17</b>	<b>1,86,923.50</b>



Note No. 7 Property, Plant and Equipment and Intangible assets as at 31st March 2023

₹ in rupees

Assets	Gross Block				Accumulated Depreciation/ Amortisation				Net Block		
	Balance as at 1st April 2022	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2023	Balance as at 1st April 2022	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2023	Balance as at 31st March 2023	Balance as at 31st March 2022
<b>A Tangible assets</b>											
<b>Own Assets</b>											
Land at Gat No 59 Bhalwani	20,77,000.00				20,77,000.00				20,77,000.00		20,77,000.00
Land at Gat No 60 Bhalwani	8,00,000.00				8,00,000.00				8,00,000.00		8,00,000.00
Factory Building	3,15,47,489.80				3,15,47,489.80	49,92,889.00	10,00,055.00		59,92,944.00	2,55,54,545.80	2,65,54,600.80
Plant and Machinery	5,07,98,696.68	9,01,525.00			5,17,00,221.68	76,99,908.00	16,38,897.00		93,38,805.00	4,23,61,416.68	4,30,98,788.68
Electrical Installation	22,28,498.00				22,28,498.00	3,53,215.00	70,643.00		4,23,858.00	18,04,640.00	18,75,283.00
Computer	2,02,778.00	2,70,556.78			4,73,334.78	2,02,778.00	42,843.00		2,45,621.00	2,27,713.78	2,27,713.78
Vehicle		72,000.00			72,000.00		4,277.00		4,277.00	67,723.00	67,723.00
<b>Total (A)</b>	<b>8,76,54,462.48</b>	<b>12,44,081.78</b>			<b>8,88,98,544.26</b>	<b>1,32,48,790.00</b>	<b>27,56,715.00</b>		<b>1,60,05,505.00</b>	<b>7,28,93,039.26</b>	<b>7,44,05,672.48</b>
<b>P.Y Total</b>	<b>8,76,54,462.48</b>				<b>8,76,54,462.48</b>	<b>1,05,67,773.00</b>	<b>26,81,017.00</b>		<b>1,32,48,790.00</b>	<b>7,44,05,672.48</b>	<b>7,70,86,689.48</b>



**Note No. 8 Inventories**

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
(Valued at cost or NRV unless otherwise stated)		
Raw Material	12,65,50,033.00	10,49,32,196.30
Finished Goods	86,13,084.00	50,43,315.00
<b>Total</b>	<b>13,51,63,117.00</b>	<b>10,99,75,511.30</b>

**Note No. 9 Trade receivables**

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
Sundry Debtors	7,91,61,920.33	5,27,71,281.68
<b>Total</b>	<b>7,91,61,920.33</b>	<b>5,27,71,281.68</b>

**Note No. 10 Cash and cash equivalents**

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
Cash in hand		
Cash in hand	4,30,691.27	35,574.27
<b>Total</b>	<b>4,30,691.27</b>	<b>35,574.27</b>

**Note No. 11 Other current assets**

₹ in rupees

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other Assets</b>		
MSEB Deposit	6,26,440.00	6,26,440.00
GST Credit Unclaimed	73,232.46	20,305.40
Tax Deducted at Source	9,04,965.00	2,55,869.55
IGST Refund on Export		8,26,639.00
IGST Cash Ledger		114.00
Tax Collected at Source		65,021.29
Deposit with Shipping Line		10,000.00
Advance Tax	5,00,000.00	
GST Credit Claimed Under TRANS1		47,13,101.00
CGST Input	10,84,469.00	9,45,120.00
SGST Input	10,84,471.00	9,45,120.00
Deposit For Gas Cylinder	3,500.00	3,500.00
MVAT Set off Receivable	3,61,155.00	3,61,155.00
TDS Paid in Advance	568.00	
<b>Total</b>	<b>46,38,800.46</b>	<b>87,72,385.24</b>

**Note No. 12 Revenue from operations**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Sale of products</b>		
Sales of Aluminium Products	68,95,74,573.53	32,36,37,375.30
Management Consultancy Charges	28,00,000.00	
Export Sales	1,19,29,727.01	8,43,76,480.56
	<b>70,43,04,300.54</b>	<b>40,80,13,855.86</b>
<b>Net revenue from operations</b>	<b>70,43,04,300.54</b>	<b>40,80,13,855.86</b>

**Note No. 13 Other income**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Interest Income</b>		
Interest on MSEB Deposit	26,362.75	26,362.75
Interest on Income Tax Refund	1,009.45	13,828.39
	<b>27,372.20</b>	<b>40,191.14</b>
<b>Other non-operating income</b>		
Discount Received	1,70,527.32	
Other and Round Off		73.54
Export Incentive	1,99,430.00	6,64,054.00
Currency Rate Gain / Loss on Export Sale	5,87,133.00	7,76,892.01
MCX Commodity Trading Profit	14,872.93	
	<b>9,71,963.25</b>	<b>14,41,019.55</b>
<b>Total</b>	<b>9,99,335.45</b>	<b>14,81,210.69</b>



**Note No. 14 Cost of material Consumed**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Inventory at the beginning</b>		
Raw Material	10,49,32,196.30	8,05,82,186.00
	10,49,32,196.30	8,05,82,186.00
<b>Add:Purchase</b>		
Raw Material	66,81,40,737.51	39,92,94,720.71
	66,81,40,737.51	39,92,94,720.71
<b>Less:-Inventory at the end</b>		
Raw Material	12,65,50,033.00	10,49,32,196.30
	12,65,50,033.00	10,49,32,196.30
<b>Total</b>	64,65,22,900.81	37,49,44,710.41

**Note No. 15 Changes in inventories**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Inventory at the end of the year</b>		
Finished Goods	86,13,084.00	50,43,315.00
	86,13,084.00	50,43,315.00
<b>Inventory at the beginning of the year</b>		
Finished Goods	50,43,315.00	35,42,974.00
	50,43,315.00	35,42,974.00
<b>(Increase)/decrease in inventories</b>		
Finished Goods	(35,69,769.00)	(15,00,341.00)
	(35,69,769.00)	(15,00,341.00)

**Note No. 16 Employee benefit expenses**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Salaries and Wages</b>		
Wages and Salaries	27,28,260.00	10,57,334.00
	27,28,260.00	10,57,334.00
<b>Total</b>	27,28,260.00	10,57,334.00

**Note No. 17 Finance costs**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Interest</b>		
Bank Interest	1,31,01,158.00	1,21,37,497.34
	1,31,01,158.00	1,21,37,497.34
<b>Total</b>	1,31,01,158.00	1,21,37,497.34

**Note No. 18 Depreciation and amortization expenses**

₹ in rupees

Particulars	31st March 2023	31st March 2022
<b>Depreciation on tangible assets</b>		
	27,56,715.00	26,81,017.00
<b>Total</b>	27,56,715.00	26,81,017.00

**Note No. 19 Other expenses**

₹ in rupees

Particulars	31st March 2023	31st March 2022
Advertisement Charges And Sample	30,394.00	87,000.00
Audit fees	15,000.00	15,000.00
Bank charges	8,45,950.12	3,00,640.86
Bank Inspection Charges	37,172.00	53,906.00
Bank Processing Charges	5,33,670.45	3,20,339.00
Bill Discounting Charges	4,23,263.00	3,86,610.33
Certification Fees	1,500.00	
Commission and brokerage	95,938.00	2,33,039.00
Director's remuneration	15,00,000.00	2,50,000.00
Discount Received		37,210.12
Electricity	19,54,141.91	18,59,412.75
Export Clearing Charges	4,37,033.65	22,39,502.72
Freight Inward	50,09,802.00	17,23,147.75
Grampanchayat Tax	23,778.00	27,850.00
Insurance	91,704.00	1,18,294.48



# SHARVAYA METALS PVT LTD, AHMEDNAGAR

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation

The financial statements of the Company are consistently prepared and presented on an accrual basis in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified in the Companies Act, 2013, The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2. Use of Estimates

In preparing the financial statements in Conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of revenues and expenses during the reported period. Actual result in some cases could differ from those estimates. Any revision of such estimates is recognized in the period in which the result is crystallized.

#### 3. Revenue Recognition

##### a) Income and Expenditure

Income and expenditure are accounted on accrual basis and is recognised when it is reasonably certain of the ultimate collection.

##### b) Sale of Goods

Domestic sales are recognized at the time of dispatch of materials to the buyers. The Sales are excluding GST and are net of trade discounts.

##### c) Interest income

Interest income is accounted on accrual basis.

#### 4. Fixed Assets, Depreciation and Amortization:

##### a) Tangible Assets

All tangible fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment loss, if any, Cost includes all direct expenditure of acquisition, attributable borrowing cost and net of CENVAT/VAT/GST credit, wherever applicable.

Expenditure on existing tangible assets towards renovation and modernization resulting in increased life and / or efficiency of an existing asset is added to the cost of related assets.

##### b) Depreciation and Amortization

Depreciation on tangible fixed assets is provided on SLM method over the useful life of the asset in the manner prescribed under Schedule II of the Companies Act 2013.



When significant parts of the fixed assets are required to be replaced at interval, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the Statement of Profit or Loss as incurred. Depreciable amount for assets is the cost of an asset less its estimated residual value.

#### 5. **Impairment of Assets**

The carrying amounts of tangible and intangible assets are tested for impairment at each Balance Sheet date to determine if there is any indication of impairment, based on internal/external factors. If any such indication exists, an estimate of the recoverable amount of the assets cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

#### 6. **Inventories**

Inventories are Valued as under:

a) Raw materials, packing material, stores and spares are valued at lower of Cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.

b) Stock in process is valued at lower of cost (on a moving weighted average basis) and net realizable value.

c) Finished goods are valued at Cost (on a moving weighted average basis) or net realizable value whichever is lower. Cost for this purpose includes direct materials, direct labour and appropriate overheads and depreciation.

#### 7. **Investments**

Investments that are readily realizable and are intended to be held for not more than one year from that date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Long-term investments are carried at cost, after providing for diminution in value, if it is of a permanent nature.

#### 8. **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or production of qualifying assets are capitalised as the cost of the respective assets. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

#### 9. **Tax Expenses**

Tax expenses for the period, comprising of current tax and deferred tax are included in the determination of net profit or loss for the period. The company provides current tax based on the provisions of the Income Tax Act 1961 applicable to it.



**10. Government Grants**

Financial grant from Government related to fixed assets investments are shown by crediting the grant-in-aid received to Capital Subsidy Reserve. Grants related to revenue are recognized as revenue over the period to which these are related

**11. Foreign exchange transactions and forward contracts**

All foreign currency transactions are recorded by applying the exchange rate as on the date of transactions.

**12. GST Credit**

GST Input credit on Raw Materials and Capital Goods has been accounted for by reducing the purchase cost of Raw Materials and Capital Goods respectively.

**13. Contingent Liabilities**

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed at their estimated Value as under

- a) Letter of Credit opened by the bankers and outstanding at the yearend: - Nil
- b) Guarantees given by the company's bankers: - Nil
- c) Disputed Excise/ Service Tax Demand: - Nil
- d) Disputed Income Tax Demand: - Nil

Contingent liabilities are disclosed separately after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of

i) Probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

ii) Possible obligation, unless the probability of out flow of resources is remote.  
Contingent Assets are neither recognised nor disclosed.


**14. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the Current estimates of the management.

Date: 28.08.2023  
Place: Ahmednagar  
UDIN : 23129771BGZBNH7690



**For Vishal Gandhi and Associates  
Chartered Accountants**

  
**(Vishal. P. Gandhi)**  
Partner

Membership No: 129771