SNR & COMPANY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of **KENT RO SYSTEMS LIMITED**

Report on the audit of the consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of **KENT RO SYSTEMS LIMITED** (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group') which comprise the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

2. In our opinion, and to the best of our information and according to explanations given to us, the aforesaid consolidated financial statements give the information as required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31st March 2022, its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SA') 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 57 of the consolidated financial statements which deals with ongoing investigation by Directorate General of GST Intelligence ("DGGI") on Kent RO Systems Limited ("the Holding Company") regarding alleged non-compliance with provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated 5th October 2017 ('Budgetary support scheme') and certain provisions of GST Act. As mentioned in the note, the Holding Company has been submitting information required by DGGI and is also cooperating in the investigation.

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As explained in the said note, the allegations pertain to excess input credit availment and excess budgetary support claim made by the Holding Company. As per the Management's detailed analysis, all input credits availed and budgetary support claims are in line with provisions of GST Act and Budgetary Support Scheme. Further, as mentioned in the said note, with respect to allegation of excess input credit availment, Holding Company has deposited the alleged excess amount under protest. Further, contingent liability of Rs. 1,752.08 lacs have been made by Holding Company that may arise from the aforesaid issue of alleged excess budgetary support claim.

Our opinion is not qualified in respect of above matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. As per Standard on Auditing ('SA') 701 on 'Communicating Key Audit Matters in the Independent Auditor's Report', reporting of Key audit matters is mandatory for listed companies. Since Group is unlisted, hence reporting under SA 701 is not applicable to the Group.

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

7. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including the Annexures to the Director's Report but does not include the consolidated financial statements and our auditor's report thereon.
8. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the 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 Consolidated Financial Statements

10. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial position including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under the section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of provision of the Act, the respective Board of Directors/Management of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other

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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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so

12. Those Board of Directors are also responsible for overseeing the financial reporting process of the Companies included in the Group.

Auditors' Responsibilities for the audit of Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

14. 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group have 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

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NEW DELHI

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information / financial statement of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

15. 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.

16. 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

17. As required by Section 197(16) of the Act, we report that the Holding Company has paid remuneration to its Directors during the year in accordance with the provisions of and limit laid down under Section 197 read with Schedule V of the Act. Further, we also report that since subsidiary has not paid or provided for any managerial remuneration. Accordingly, we have nothing to report under Section 197(16) of the Act with respect to subsidiary company.

18. As required by clause (xxi) of paragraph 3 of Companies(Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of subsidiary company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order report of such subsidiary company.

19. As required by section 143(3) of the act, based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
    c) The consolidated financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS notified under the Section 133 of the Act;
    e) On the basis of the written representations received from the Directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

respective Companies, none of the Directors of the Group Companies covered under the Act, are disqualified as on 31st March 2022 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 Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Further in our opinion and to the best of our information and according to explanations given to us, the provisions of Section 143(3)(i), for reporting on the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls of the Company, are not applicable to the subsidiary; and

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in note 41 to the consolidated financial statements;

ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2022; and

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv) (a) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief as disclosed in note 59(v) of the accompanying consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person or entity, including foreign entities ('the 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 Holding Company, or its subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

iv) (b) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 59 (v) of the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or its subsidiary 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; and

iv) (c) Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under subclauses (a) and (b) above contain any material misstatement

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2022

v) The Group has not declared or paid any dividend during the year

FOR **SNR & COMPANY**
Chartered Accountants
Firm Registration No.: 014401N

[SURESH VYAS]
Partner
Membership No.: 082658

Date: 12.09.2022
Place: New Delhi

ICAI UDI No.: 22082658ATNBYA1642

Annexure A to Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2022

Annexure A

Independent Auditor's Report on the Internal Financials Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. We have audited the internal financial controls over financial reporting ('IFCoFR') of Kent RO Systems Limited (the 'Holding Company') as of 31st March 2022, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Holding Company's board of directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on the Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation, and maintenance of adequate internal financials 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's IFCoFR based on our audit. We conducted our audit in accordance with Guidance Note and the Standards on Auditing (the 'Standards'), issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR. 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 IFCoFR was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in

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accordance with generally accepted accounting principles. A Company's IFCoFR 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 the preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has, in all material respects, an adequate IFCoFR and such IFCoFR were operating effectively as at 31st March 2022, based on the internal financial controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **SNR & Company**
Chartered Accountants
Firm Registration No.: 014401N

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

[Suresh Vyas]
Partner
Membership No.: 082658

Date: 12.09.2022
Place: New Delhi

ICAI UDI No.: 22082658ATNBYA1642

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Balance Sheet as at 31st March 2022
(All amounts in Rupees Lacs unless otherwise stated)

	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
[A] **Non current assets**			
(a) Property, plant and equipment	7A	24,288.48	25,263.48
(b) Capital work in progress	7B	10,592.79	4,892.43
(c) Intangible assets	7C	223.08	70.20
(d) Intangible assets under development	7D	-	97.19
(e) Right of use assets	7E	26,639.85	24,740.75
(f) Financial assets			
(i) Investments	8	1,000.71	1,003.36
(ii) Other financial assets	9	5,205.97	1,368.23
(g) Others non-current assets	12	9,141.85	6,925.31
Total Non-current assets		77,092.73	64,360.95
[B] **Current assets**			
(a) Inventories	13	26,982.30	24,006.30
(b) Financial assets			
(i) Investments	8	13,202.61	5,924.64
(ii) Trade receivables	14	5,722.00	4,845.79
(iii) Cash and cash equivalents	15	1,726.52	1,288.04
(iv) Bank balances other than cash and cash equivalents	16	26,884.51	34,915.55
(v) Loans	17	1,203.10	1,159.12
(vi) Other financial assets	9	222.96	90.78
(c) Income-tax assets	10	5,347.14	5,553.24
(d) Other current assets	12	5,637.46	6,096.60
Total current assets		86,928.60	83,880.06
TOTAL ASSETS		164,021.33	148,241.01
EQUITY AND LIABILITIES			
[C] **Equity**			
(a) Equity share capital	18	98.57	98.57
(b) Other equity			
Reserves and surplus	19	143,951.86	128,872.26
(c) Non-controlling interests		0.16	0.16
Total equity		144,050.59	128,970.99
Liabilities			
[D] **Non current liabilities**			
(a) Financial liabilities			
Lease Liability	24 B	172.87	195.21
(b) Other non-current liabilities	20	1.75	2.30
(c) Provisions	21	838.05	939.12
(d) Deferred tax liabilities (net)	11	582.96	283.06
Total non current liabilities		1,595.63	1,419.69
[E] **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowing	22	1,080.37	7.03
(ii) Lease Liability	24 B	191.63	161.47
(iii) Trade payables	23		
Total outstanding dues of micro & small enterprises		1,891.62	1,650.21
Total outstanding dues other than micro & small enterprises		3,479.16	5,201.15
(iv) Other financial liabilities	24 A	3,815.66	2,681.04
(b) Other current liabilities	25	2,335.40	1,808.83
(c) Provisions	21	359.40	323.57
(d) Current tax liabilities	26	5,221.87	6,017.03
Total current liabilities		18,375.11	17,850.33
TOTAL EQUITY AND LIABILITIES		164,021.33	148,241.01
Basis of preparation, measurement and significant accounting policies	2-6		

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

As per our report of even date annexed

For **SNR & Company**
Chartered Accountants
Firm Regn. No.014401N

Suresh Vyas
Partner

Membership No. 082658

Place: New Delhi
Date: 12.09.2022

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

For and on Behalf of the Board of Directors of
Kent RO Systems Limited

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Statement of Profit and Loss for the year ended 31st March 2022
(All amounts in Rupees Lacs unless otherwise stated)

S.N.	Particulars	Note		For the year ended 31st March 2022		For the year ended 31st March 2021
[A]	**Income**					
(a)	Revenue from operations	27		104,736.56		97,910.03
(b)	Other income	28		3,830.45		3,995.40
	Total income			**108,567.01**		**101,905.43**
[B]	**Expenses**					
(a)	Cost of material consumed	29		34,023.72		30,969.85
(b)	Purchase of stock-in-trade	30		9,304.56		7,783.65
(c)	Increase in inventories of finished goods, work-in-progress and stock-in--trade	31		(723.44)		(1,042.68)
(d)	Employee benefit expenses	32		16,031.99		14,465.38
(e)	Finance cost	33		216.58		171.68
(f)	Depreciation and amortisation	34		3,120.03		3,388.37
(g)	Other expenses	35		26,066.95		21,234.58
	Total expenses			**88,040.39**		**76,970.83**
[C]	**Profit before tax [A-B]**			20,526.62		24,934.60
[D]	**Tax expense**	36				
	- Current tax expense			5,221.87		6,017.03
	- Tax expense earlier years			13.60		0.28
	- Mat Credit balance no longer required			-		474.53
	- Deferred tax (benefit)/expense			277.66		522.07
				5,513.13		7,013.91
[E]	**Profit for the year [C-D]**			**15,013.49**		**17,920.69**
	Profit/(loss) for the year attributable to					
	Holding company			**15,013.49**		**17,920.69**
	Non-controlling interests			**(0.00)**		**(0.00)**
(F)	**Other comprehensive income**					
	Items that will not be reclassified subsequently to profit or loss					
	Remeasurements of the net defined benefit plans		88.35		2.81	
	Income tax relating to items that will not be reclassified subsequently to profit or loss					
	Remeasurements of the net defined benefit plans		(22.24)	66.11	(0.71)	2.11
	Total comprehensive income for the year			**15,079.60**		**17,922.79**
	Total comprehensive income for the year attributable to					
	Holding company			15,079.61		17,922.80
	Non-controlling interests			(0.00)		(0.00)
[G]	**Earnings per equity share**	37				
	Basis and Diluted (Fair value of Rs. 10/- per share)			1,523.13		1,818.07
	Basis of preparation, measurement and significant accounting policies	2-6				

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

As per our report of even date annexed

For **SNR & Company**
Chartered Accountants
Firm Regn. No.014401N

Suresh Vyas
Partner
Membership No. 082658

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Place: New Delhi
Date: 12.09.2022

For and on Behalf of the Board of Directors of
Kent RO Systems Limited

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Cash Flow Statement for the year ended 31st March 2022
(All amounts in Rupees Lacs unless otherwise stated)

	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	**20,526.62**	**24,934.60**
Adjustment for:		
Unrealised loss/(profit) on investments, net	(647.28)	(1,975.42)
Depreciation and amortisation expense	3,120.03	3,388.37
Amortisation of capital subsidy	(0.55)	(0.72)
(Profit) on sale of Property Plant and Equipments	(13.85)	(4.78)
Dividend income	(33.75)	(16.09)
Interest Income	(1,806.87)	(1,721.88)
Interest Expense	216.58	171.68
Loss/(profit) Termination of Lease Liability	-	(0.59)
Operating profit before working capital changes	**21,360.93**	**24,775.17**
Adjustment for (increase)/decrease in operating assets :		
Non-current financial assets	(22.47)	6.75
Other non-current assets	(2,216.53)	(38.28)
Inventories	(2,976.01)	(4,388.03)
Trade receivables	(876.21)	102.66
Financial assets - loans	(43.97)	(409.79)
Other current financial assets	(132.18)	(18.40)
Other current assets	459.13	470.27
Adjustments for increase in operating liabilities:		
Provisions	(65.23)	(85.05)
Trade payables	(1,480.58)	838.47
Other financial liabilities	1,134.62	129.73
Other liabilities	526.57	(396.48)
Cash flow from operations	**15,668.07**	**20,987.02**
Net income-tax paid (net of refund)	(5,736.18)	(4,592.77)
Net cash flow generated from operating activities	**9,931.89**	**16,394.25**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property plant and equipment, intangible assets and movement in capital work-in-progress, capital advances	(9,668.39)	(4,786.24)
Proceeds from sale of Property Plant and Equipments	76.91	41.79
Investment in equity shares and mutual funds, net	(6,628.04)	(185.59)
Movement in fixed deposits, net	4,215.77	(12,316.81)
Dividend income	33.75	16.09
Interest income	1,806.87	1,721.88
Repayments made to non controlling interest owners	-	(0.05)
Net cash flow used in investing activities	**(10,163.13)**	**(15,508.93)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(189.48)	(139.27)
Cash outflow on lease liabilities	(214.14)	(204.63)
Movement in current borrowings, net	1,073.34	(224.26)
Net cash flow (utilised in)/generated from financing activities	**669.72**	**(568.16)**
Cash and cash equivalents at the beginning of the year	**1,288.04**	**970.88**
Net (decrease)/increase in cash and cash equivalents	**438.48**	**317.16**
Cash and cash equivalents at the end of the year (refer note 15)	**1,726.52**	**1,288.04**

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

As per our report of even date annexed

For **SNR & Company**
Chartered Accountants
Firm Regn. No.014401N

Suresh Vyas
Partner
Membership No. 082658

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Place: New Delhi
Date: 12.09.2022

For and on Behalf of the Board of Directors of
Kent RO Systems Limited

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

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Whole Time Director
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Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Statement of Change in Equity for the year ended 31st March 2022
(All amounts in Rupees Lacs unless otherwise stated)

A. **Equity share capital**

Particulars	Note	Number of shares	Amount
Balance as at 1st April 2020	18	985,700	98.57
Changes in equity share capital during the year		-	-
Balance as at 31st March 2021	18	985,700	98.57
Changes in equity share capital during the year		-	-
Balance as at 31st March 2022	18	985,700	98.57

B. **Other equity**

Particulars	Reserves and surplus	Other reserves	Total
	Retained earnings	Remeasurement of employee benefits	
Balance as at 1st April 2020	**110,869.36**	**80.10**	**110,949.46**
Profit for the year	17,920.69	-	17,920.69
Other comprehensive income	-	2.11	2.11
Balance as at 31st March 2021	**128,790.05**	**82.21**	**128,872.26**
Profit for the year	15,013.49	-	15,013.49
Other comprehensive income	-	66.11	66.11
Balance as at 31st March 2022	**143,803.54**	**148.32**	**143,951.86**

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

As per our report of even date annexed

For SNR & Company
Chartered Accountants
Firm Regn. No.014401N

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Suresh Vyas
Partner
Membership No. 082658

For and on Behalf of the Board of Directors of
Kent RO Systems Limited

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328

Place: New Delhi
Date: 12.09.2022

Kent RO Systems Limited

Notes to the Consolidated financial statements for the year ended 31st March 2022

1 **Group information**

Kent RO Systems Limited (the 'Holding Company') was incorporated on 12th April 2007. The Holding Company is engaged in manufacturing of healthcare products including water purifiers, air purifiers & Kitchen ware appliances etc. at its manufacturing facilities at following locations:

i) Bantakheri, Roorkee, Dist. Haridwar (Uttarakhand),
ii) Sector - 59, Noida (Uttar Pradesh) and
iii) Sector - 87, Noida (Uttar Pradesh).

The consolidated financial statements comprise the financial statements of the Holding Company, and its subsidiaries, collectively hereinafter referred to as the 'Group'.

2 **General information and statement of compliance with Ind AS**

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.
The consolidated financial Statements are presented in Rupees Lacs which is also the functional currency of the Group.

The subsidiaries considered in these consolidated financial statements are:

Name of entity	Country of incorporation	Nature	Proportion of ownership interest % as on 31 March 2022	Proportion of ownership interest % as on 31 March 2021
Dreamland Exim Private Limited	India	Domestic subsidiary	99.99%	99.99%

Dreamland Exim Private Limited was incorporated on 26th August 2005 with the object to purchase, sell, import, export and deal in all types of garments such as yarn, synthetic, tissues, thread, textile including all kinds of handloom cloths i.e. handloom bed sheets, bedcovers, carpets and furnishing material of all kinds mill made cloth, synthetic fibers, manmade fiber fabric of all kinds and for all purposes. Its other objects includes to cultivate, grow, produce or deal in tea, coffee and any agricultural vegetables or fruits products and to carry on all or any of the business of farmers, dairyman, milk contractors, dairy farmers, millers, purveyors and vendors of milk or milk products, condensed milk and powdered milk, cream, cheese, butter, poultry, fruits, vegetables, cash crops and provisions of all kinds.

On 11th April 2018, Kent RO Systems Limited acquired 9,999 equity shares of Dreamland Exim Private Limited, pursuant to which Dreamland Exim Private Limited became subsidiary Company. Kent RO Systems Limited, subsequent to its acquiring control of Dreamland Exim Private Limited, acquired additional 5,000 equity shares of Dreamland Exim Private Limited

3 **Basis of preparation**

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

4 **Basis of consolidation**

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired during the period is recognized from the effective date of acquisition.

The Group combines the financial statements of the Holding company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

InterGroup transactions, balances and un-realized gains/ losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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5 Recent Accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards 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, as below :

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The group has evaluated the amendment and there is no impact on its Standalone financial statements

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The group has evaluated the amendment and the impact is not expected to be material

6 Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below.

6.1 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

i) Expected to be realised or intended to sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) Expected to be realised within twelve months after the reporting period, or
iv) 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.

A liability is classified as current when:

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

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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6.2 Revenue recognition

Sales of goods

Revenue from sale of products is recognised when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable and are accounted for net of returns, rebates and trade discount. Sales, as disclosed, are exclusive of goods and services tax.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The transaction price is allocated by the group to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

When either party to a contract has performed its obligation, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Sale of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Export incentives

Income from export incentives are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Interest and dividends

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

6.3 Property plant and equipments

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. These tangible assets are held for use in production, supply of goods or services or for administrative purposes.

Cost comprises purchase cost, freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such costs also include borrowing cost if the recognition criteria are met.

When a major inspection/repair occurs, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized. All other repair and maintenance are recognized in the Standalone Statement of Profit and Loss as incurred.

Depreciation on property, plant and equipment is provided over the useful lives of assets as specified in Schedule II to the Act except where the Management, has estimated useful life of an asset supported by the technical assessment, external or internal i.e., higher or lower from the indicative useful life given under Schedule II. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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6.3 Property plant and equipments (contd')

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows:

Asset category	Estimated useful life (in years)
Electrical installation	10
Plant and machinery	15
Vehicles	8 to 10
Furnitures and fixtures	10
Office equipments	5
Computers	3
Moulds	15
Buildings - RCC frame structure	60
Building - Other than RCC frame structure	30

The residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

Components relevant to property, plant and equipment, where significant, are separately depreciated on written down value basis in terms of their life span assessed by technical evaluation in item specific context.

During disposal of property, plant and equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-à-vis carrying cost of assets is accounted for in Consolidated Statement of Profit and Loss.

6.4 Capital work in progress and Intangible assets under development

Capital work in progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development/construction costs and other direct expenditure.

6.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost of acquisition. The cost comprises of purchase price and directly attributable costs of bringing the assets to its working condition for intended use. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. In case of internally generated assets, measured at development cost subject to satisfaction of recognition criteria (identifiability, control and future economic benefit) in accordance with Ind AS 38 'Intangible Assets'.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if

Intangible assets with finite lives are amortized on a straight line value basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Standalone Statement of Profit and Loss.

Amortization of intangible assets such as softwares is computed on a straight line value basis, at the rates representing estimated useful life or 6 years, whichever is lower.

6.6 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

6.7 Impairment of financial assets

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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6.8 Financial instruments

Financial assets

Trade Receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Investments in other equity instruments
Investments in equity instruments which are held for trading are classified as at fair value through profit or loss('FVTPL'). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL'). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Other Financial assets

Initial recognition and measurement
Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

i) **Financial assets carried at amortised cost**

The financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income ('OCI'). Interest income measured using the EIR method and impairment losses, if any are recognized in the Standalone Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Standalone Statement of Profit and Loss.

iii) **Financial assets at fair value through profit and loss**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the group has transferred its rights to receive cash flows from the asset.

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6.8 Financial instruments (contd')

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified at amortised cost.

Subsequent measurement
Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

6.9 Fair value measurement

The Group measures financial instruments at fair value at each Standalone Balance Sheet date.

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 is based on the presumption 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.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Holding Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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6.10 Leases

Where the Group is the Lessee

Right of use assets and lease liabilities

For any new contracts entered into on or after 1st April, 2019, (the transition approach has been explained and disclosed in Note 44) the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

6.11 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handing costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

Raw material valued on moving weighted average basis;

Finished goods valued at cost of input valued at moving weighted average basis plus appropriate overheads.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

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6.12 Employee benefits

Defined contribution plans

Provident fund benefit and Employee insurance benefits are defined contribution plans under which the Group pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively.. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Defined benefit plans

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

6.13 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Minimum Alternate Tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the

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6.14 Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

6.15 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on products failures. The timing of outflows will vary as and when warranty claims arise-being typically up to one year.

As per the terms of the contracts, the Group provides post-contract services/warranty support to its customers. The group accounts for the post-contract support/provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

6.16 Foreign currency transactions and translations

Initial recognition

The Group's financial statements are presented in INR, which is also the Group's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

6.17 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

6.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

6.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

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6.20 Research and development

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.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

6.21 Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

6.22 Cash and cash equivalents

For the purpose of the Consolidated Statement of Cash Flows, Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

6.23 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements and estimates

The following are significant management judgements and estimates in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

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SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

6.23 Significant management judgement in applying accounting policies and estimation uncertainty (contd')

Classification of leases - The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the Commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Contingencies - Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, (refer note 41). By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments by management and the use of estimates regarding the outcome of future events.

Inventories - The Group estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future demand or other market-driven changes that may reduce future selling prices.

Income taxes - The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 36). The extent to which deferred tax assets/minimum alternate tax credit can be recognized is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilized.

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Kent RO Systems Limited
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7 Property, plant and equipments, capital work-progress and other intangible assets

Particulars	Property, Plant and Equipments and Other Tangible Assets															Capital work-in progress (B)[1]	Intangible assets	Intangible assets under development (D)[2]	Right to use Assets			Total (A+B+C+D+E)
	Freehold land	Leasehold land right	Factory building	Office building	Residential building	Buildings	Plant and machinery	Moulds	Electric Fittings	Computers and Networking	Furniture and fittings	Office equipments	Vehicles	Commercial vehicles	Total (A)		ERP and Software (C)		Leasehold land right	Right to use assets	Total (E)	
Cost as on 1st April 2020	742.90	-	13,595.55	11,276.19	2,443.46	27,315.21	4,667.65	1,682.23	790.26	970.91	984.97	1,022.13	387.68	14.27	38,578.21	2,300.04	1,196.65	40.00	24,967.29	520.89	25,488.19	67,603.08
Additions	-	-	-	-	55.00	55.00	43.15	101.29	-	247.04	41.64	19.27	230.82	-	738.21	2,638.40	-	57.20	-	139.52	139.52	3,573.32
Less: Disposals/adjustments	-	-	-	-	-	-	7.00	-	-	(19.75)	-	(4.40)	68.33	-	51.18	46.01	-	-	-	52.58	52.58	149.77
Cost as on 31st March 2021	742.90	-	13,595.55	11,276.19	2,498.46	27,370.21	4,703.80	1,783.52	790.26	1,237.70	1,026.61	1,045.79	550.17	14.27	39,265.24	4,892.43	1,196.65	97.19	24,967.29	607.83	25,575.12	71,026.63
Re-classification	396.05									(0.22)		0.22			396.05				(396.05)		(396.05)	-
Additions	-	-	-	-	109.88	109.88	395.05	271.52	-	204.20	4.85	13.71	269.75	-	1,268.96	9,578.69	186.89	89.70	2,609.37	194.85	2,804.23	13,928.47
Less: Disposals/adjustments	-	-	-	-	-	-	79.04	-	-	113.26	64.91	8.93	297.25	-	563.39	3,878.33	-	186.89	-	158.25	158.25	4,786.86
Cost as on 31st March 2022	1,138.94	-	13,595.55	11,276.19	2,608.34	27,480.09	5,019.81	2,055.03	790.26	1,328.42	966.55	1,050.80	522.67	14.27	40,366.86	10,592.79	1,383.54	-	27,180.62	644.43	27,825.05	80,168.23
Accumulated depreciation as on 1st April 2020	-	(0.00)	3,269.39	2,112.49	247.19	5,629.07	2,056.50	706.73	536.78	787.85	641.37	809.81	144.12	2.04	11,314.29	-	930.96	-	254.44	141.28	395.72	12,640.97
Change for the year	-	-	980.12	445.29	107.90	1,533.31	476.93	180.53	65.18	166.48	90.77	94.20	97.08	3.67	2,708.15	-	195.48	-	301.42	183.31	484.73	3,388.37
Reversal on disposals	-	-	-	-	-	-	3.39	-	-	(20.49)	-	(4.40)	42.17	-	20.67	-	-	-	-	46.08	46.08	66.76
Accumulated depreciation as on 31st March 2021	-	(0.00)	4,249.51	2,557.78	355.09	7,162.38	2,530.04	887.26	601.96	974.82	732.14	908.41	199.03	5.71	14,001.76	-	1,126.45	-	555.86	278.51	834.37	15,962.58
Change for the year	-	-	887.08	423.65	108.07	1,418.80	435.56	183.80	48.21	201.24	73.87	49.11	163.88	2.47	2,576.95	-	34.00	-	321.94	187.15	509.08	3,120.03
Reversal on disposals	-	-	-	-	-	-	60.67	-	-	107.88	59.17	8.22	264.40	-	500.33	-	-	-	-	158.25	158.25	658.59
Accumulated depreciation as on 31st March 2022	-	(0.00)	5,136.59	2,981.44	463.16	8,581.18	2,904.93	1,071.06	650.18	1,068.19	746.85	949.30	98.51	8.19	16,078.38	-	1,160.45	-	877.79	307.40	1,185.20	18,424.02
Net Block																						
Balance as at 31st March 2021	742.90	0.00	9,346.04	8,718.41	2,143.37	20,207.82	2,173.76	896.25	188.30	262.88	294.46	137.39	351.15	8.56	25,263.48	4,892.43	70.20	97.19	24,411.44	329.32	24,740.75	55,064.05
Balance as at 31st March 2022	1,138.94	0.00	8,458.96	8,294.76	2,145.18	18,898.91	2,114.88	983.97	140.08	260.23	219.70	101.50	424.16	6.08	24,288.48	10,592.79	223.08	-	26,302.83	337.02	26,639.85	61,744.21

[1] for Capital work in progress ageing schedule refer note 52
[2] for intangible assets under development ageing schedule refer note 53

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8 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
Non-current		
Investment carried at fair value through profit and loss		
Equity instruments (unquoted)	2.71	5.36
Investment in compulsorily convertible preference shares (Unquoted)	998.00	998.00
Total [A]	**1,000.71**	**1,003.36**
Aggregate amount of unquoted investments	1,000.71	1,000.71
Aggregate amount of impairment in value of investments	-	-
Current		
Investment carried at fair value through profit and loss		
Equity instruments (quoted)	5,972.46	2,193.45
Investment in Mutual Funds (quoted)	7,230.14	3,731.19
Total [B]	**13,202.61**	**5,924.64**
Total [A+B]	**14,203.32**	**6,928.00**

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SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

	Particulars	As at 31st March 2022	As at 31st March 2021
9	**Other financial assets**		
	(Unsecured and considered good)		
	Non-current		
	Fixed deposits with Bank maturity of more than 12 months*	5,103.87	1,288.60
	Security deposits	102.10	78.59
	Other receivable		1.04
	Total non - current assets (a)	5,205.97	1,368.23

* It includes fixed deposits amounting to Rs. 3.41 Lacs (31st March 2021 - Rs. 264.47 Lacs),lying with banks as margin money against guarantees issued by them

	Particulars	As at 31st March 2022	As at 31st March 2021
	Current		
	Security deposits	197.08	78.15
	Other Receivables	25.88	12.63
	Total current assets (b)	222.96	90.78
	Total (a+b)	5,428.93	1,459.01
10	**Income-tax assets**		
	Current		
	Advance tax and TDS recoverable	5,347.14	5,553.24
	Total	5,347.14	5,553.24
11	**Deferred tax asset (net)**		
	(b) Deferred tax asset on account of :		
	Capital subsidy	0.44	0.58
	Provision for employee benefits & Other Provisions	336.05	335.01
	Provision for doubtful debts and advances	-	88.09
	Lease liability	91.74	89.77
		428.22	513.45
	(a) Deferred tax liability on account of:		
	Right of use assets	604.78	612.06
	Difference between accounting base and tax base of property, plant and equipment	5.94	(53.11)
	Financial assets at fair value through profit or loss	400.47	237.56
		1,011.18	796.51
	Net deferred tax (liabilities)/assets at the end of the year	(582.96)	(283.06)
	Net deferred tax assets/(liabilities) at the beginning of the year	(283.06)	239.71
	Current year charge/(credit)	299.90	522.78

11.1 Movement in deferred tax assets and deferred tax liabilities from 1st April 2021 to 31st March 2022

Particulars	Opening balance as on 1st April 2021	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance as on 31st March 2022
Deferred tax asset arising on account of				
Capital subsidy	0.58	(0.14)	-	0.44
Provision for employee benefits & Other Provisions	335.01	23.27	(22.24)	336.05
Provision for doubtful debts and advances	88.09	(88.09)	-	-
Lease liability	89.77	1.96	-	91.74
	513.45	(62.99)	(22.24)	428.22
Deferred tax liability arising on account of				
Right of use assets (excluding leasehold rights)	612.06	(7.29)	-	604.77
Difference between accounting base and tax base of property, plant and equipment	(53.11)	59.05	-	5.94
Financial assets at fair value through profit or loss	237.56	162.91	-	400.47
	796.51	214.67	-	1,011.18
Net deferred tax assets/(liabilities)	(283.06)	(277.66)	(22.24)	(582.96)

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(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2022	As at 31st March 2021

11.2 Movement in deferred tax assets and deferred tax liabilities from 1st April 2020 to 31st March 2021

Particulars	Opening balance as on 1st April 2020	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance as on 31st March 2021
Deferred tax asset arising on account of				
Capital subsidy	1.05	(0.48)	-	0.58
Provision for employee benefits & Other Provisions	414.49	(78.77)	(0.71)	335.01
Provision for doubtful debts and advances	122.30	(34.21)	-	88.09
Short-term capital Loss	-	-	-	-
Leasehold rights	-	-	-	-
Lease liability	138.55	(48.78)	-	89.77
	676.39	(162.23)	(0.71)	513.45
Deferred tax liability arising on account of				
Right of use assets (excluding leasehold rights)	671.06	(59.00)	-	612.06
Difference between accounting base and tax base of property, plant and equipment	126.07	(179.18)	-	(53.11)
Financial assets at fair value through profit or loss	(360.45)	598.01	-	237.56
	436.68	359.83	-	796.51
Net deferred tax assets/(liabilities)	**239.71**	**(522.07)**	**(0.71)**	**(283.06)**

12 Other non-current assets
(Unsecured and considered good)

		As at 31st March 2022		As at 31st March 2021
Capital advances	8,095.17		6,081.86	
Less: Provision for Doubtful Debts	-	8,095.17	350.00	5,731.86
Prepaid expenses		1,046.67		1,193.45
Total non - current assets (a)		**9,141.85**		**6,925.31**
Other current assets				
Prepaid expenses		455.50		439.32
Advance to vendors		790.09		937.25
Advances to employees		12.21		11.39
Balances with government authorities*		4,379.67		4,708.64
Total current assets (b)		5,637.46		6,096.60
Total (a+b)		**14,779.31**		**13,021.91**

*Refer Note number 50

13 Inventories
(At lower of cost or net realisable value)

	As at 31st March 2022	As at 31st March 2021
Raw materials	13,973.83	11,689.92
Packing material	237.65	268.99
Finished goods	8,684.60	9,508.11
Stock in Trade	4,086.23	2,539.28
Total	**26,982.30**	**24,006.30**

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SNR & COMPANY
CHARTERED ACCOUNTANTS
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(All amounts in Rupees Lacs unless otherwise stated)

		As at 31st March 2022	As at 31st March 2021
14	**Current assets - Trade receivables**		
	Considered good - secured	-	-
	Considered good - unsecured	5,722.00	4,845.79
	Credit impaired	-	-
	Less: loss allowance	-	-
	Total	**5,722.00**	**4,845.79**
	* For Trade receivable ageing schedule refer note 54		
15	**Cash and cash equivalents**		
	Cash on hand	11.27	17.38
	Balances with banks in current accounts	1,267.14	1,014.47
	Balance with Payment Gateways	448.10	256.19
		1,726.52	**1,288.04**
16	**Bank balances other than cash and cash equivalents**		
	Balances with banks in fixed deposits with original maturity of more than three months but residual maturity of less than twelve months	23,475.06	31,766.76
	Earmarked balances with banks in fixed deposits*	3,409.44	3,148.79
		26,884.51	**34,915.55**

* Fixed deposits pledged with banks as margin money against overdrafts and guarantees issued by them

		As at 31st March 2022	As at 31st March 2021
17	**Current assets - Loans** *(Unsecured and considered good)*		
	Loan to others	1,203.10	1,159.12
		1,203.10	**1,159.12**

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SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount (in Rs.)
18 Equity share capital				
Authorised				
Equity shares of Rs. 10 each	1,500,000	150.00	1,500,000	150.00
Issued, subscribed and paid up				
Equity shares of Rs. 10 each	985,700	98.57	985,700	98.57

18(a) Reconciliation of equity shares

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	985,700	98.57	985,700	98.57
Equity share issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	985,700	98.57	985,700	98.57

18(b) Terms and rights attached to the equity shares

The Holding Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Holding Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

18(c) Details of Shareholders holding more than 5% shares of the Holding Company:

	As at 31st March 2022		As at 31st March 2021	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Mr. Mahesh Gupta	504,500	51.18%	504,500	51.18%
Mrs. Sunita Gupta	361,000	36.62%	361,000	36.62%
Mr. Varun Gupta	117,999	11.97%	117,999	11.97%
	983,499	99.78%	983,499	99.78%

18(d) The Holding Company has not issued any shares pursuant to contract without payment being received in cash, nor allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet

18(e) Details of Equity Shares held by the Promotors of the Holding Company

	As at 31st March 2022		As at 31st March 2021	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Mr. Mahesh Gupta	504,500	51.18%	504,500	51.18%
Mrs. Sunita Gupta	361,000	36.62%	361,000	36.62%
Mr. Varun Gupta	117,999	11.97%	117,999	11.97%
	983,499	99.78%	983,499	99.78%

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SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

(All amounts in Rupees Lacs unless otherwise stated)

		As at 31st March 2022	As at 31st March 2021
19	**Reserves and surplus**		
	Retained earnings		
	Balance as at the beginning of the year	128,792.16	110,869.36
	Add: Profit for the year	15,013.49	17,920.69
	Balance as at the end of the year	143,805.65	128,790.05
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurement of post-employment benefit obligation, net of tax	66.11	2.11
		143,871.76	**128,792.16**
	At the beginning of the year	80.10	80.10
	Add: Addition during the year	-	-
		143,951.86	128,872.26
20	**Other non-current liabilities**		
	Deferred government grants	1.75	2.30
		1.75	2.30
21	**Provisions**		
	Non-current		
	Provisions for employee benefits		
	- Gratuity	574.86	630.38
	- Leave Encashment	263.19	308.74
	Total (a)	838.05	939.12
	Current		
	Provisions for employee benefits		
	- Leave Encashment	77.81	84.40
	Provision for warranty	281.59	239.17
	Total (b)	359.40	323.57
	Total (a+b)	1,197.45	1,262.69
22	**Current liabilities - borrowings**		
	(Unsecured, considered good, unless sated otherwise)		
	(i) Secured		
	Overdraft*	1,075.98	4.50
	(ii) Unsecured		
	Credit card	4.39	2.54
		1,080.37	7.03

* Overdraft has been taken from Punjab National Bank, State Bank of India, HDFC Bank Limited & ICICI Bank Limited which is secured against fixed deposits.

		As at 31st March 2022	As at 31st March 2021
23	**Current liabilities - Trade payables**		
	Trade payables**		
	-Due to micro, small and medium enterprises	1,891.62	1,650.21
	-Due to others *	3,479.16	5,201.15
		5,370.78	6,851.36

* Includes Book Overdraft (net) reflects the balance of current account in excess of the balance of current account which is primarily on account of cheques issued to vendor.

** For Trade payable ageing schedule refer Note 55

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2022	As at 31st March 2021
24 A Other financial liabilities		
Current		
Employee related payables	1,219.08	1,109.04
Security deposits	745.58	725.57
Trade payable for capital goods	411.70	183.25
Other payables	1,439.30	663.18
	3,815.66	**2,681.04**
24 B Lease Liability		
Non Current		
Lease Liabilities	172.87	195.21
	172.87	**195.21**
Current		
Lease Liabilities	191.63	161.47
	191.63	**161.47**
25 Other current liabilities		
Income received in advance	604.67	629.35
Advances from customers	491.94	478.20
Statutory liabilities	1,238.79	701.28
	2,335.40	**1,808.83**
26 Current-tax liabilities		
Provision for Income-tax	5,221.87	6,017.03
	5,221.87	**6,017.03**

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Kent RO Systems Limited
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(All amounts in Rupees Lacs unless otherwise stated)

		For the year ended 31st March 2022		For the year ended 31st March 2021
27 Revenue from operations				
Sale of products				
Sales of manufactured goods				
- Domestic	88,625.56		83,413.72	
- Export	3,389.89	92,015.45	3,211.89	86,625.61
Sales of traded goods				
- Domestic	11,014.80		9,465.50	
- Export	131.79	11,146.59	207.22	9,672.72
		103,162.04		**96,298.33**
Sale of Services				
Maintenance charges		1,424.77		1,435.72
		1,424.77		**1,435.72**
Other operating revenue				
Scrap sales		73.50		42.66
Rejected Goods sold to Vendor		5.58		37.20
Export incentives		70.67		96.12
		149.75		**175.98**
		104,736.56		**97,910.03**

	For the year ended 31st March 2022	For the year ended 31st March 2021
28 Other income		
Income from current investments		
Dividend Income	33.75	16.09
Profit/(loss) from investments, net	1,323.81	2,002.77
Profit on sale of Property Plant and Equipments, net	13.85	4.78
Interest Income	1,806.87	1,721.88
Rent from Property	27.50	6.00
Amortisation of Capital Investment Subsidy	0.55	0.72
Other Income	45.17	-
Net gain on foreign currency transactions and translation	146.22	195.72
Gain on Lease Liability Termination	-	0.59
Miscellaneous	82.74	46.85
Provioion no longer required written back	350.00	-
	3,830.45	**3,995.40**

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(All amounts in Rupees Lacs unless otherwise stated)

		For the year ended 31st March 2022	For the year ended 31st March 2021
29	**Cost of material consumed**		
	Inventory as at the beginning of the year		
	Raw Material	11,689.92	8,425.66
	Packing Material	268.99	187.89
		11,958.91	8,613.55
	Add: Purchases		
	Raw Material - Domestic	20,980.57	18,525.11
	Raw Material - Imported	13,637.98	14,445.71
	Packing Material	1,657.73	1,344.39
		36,276.28	34,315.21
	Less: Inventory as at the end of the year		
	Raw Material	13,973.83	11,689.92
	Packing Material	237.65	268.99
		14,211.48	11,958.91
		34,023.72	**30,969.85**
30	**Purchase of stock-in-trade**		
	- Domestic	4,473.37	3,415.78
	- Import	4,831.19	4,367.87
		9,304.56	**7,783.65**
31	**Increase in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories as at the beginning of the year:		
	Finished Goods	9,508.11	7,548.57
	Stock in Trade	2,539.28	3,456.14
		12,047.39	11,004.71
	Inventories as at the end of the year:		
	Finished Goods	8,684.60	9,508.11
	Stock in Trade	4,086.23	2,539.28
		12,770.83	12,047.39
	Increase in inventories	**(723.44)**	**(1,042.68)**
32	**Employee benefits expense**		
	Salaries and wages	12,471.41	10,945.30
	Contribution to provident and other funds	718.45	649.00
	Bonus and ex-gratia	998.11	1,192.11
	Directors remuneration	1,140.00	1,140.00
	Gratuity	296.84	228.40
	Incentives	132.54	155.75
	Leave encashment	(16.53)	(99.16)
	Recruitment and training	27.07	36.00
	Staff welfare	151.22	116.30
	Employees Health and life Insurance	112.88	101.68
		16,031.99	**14,465.38**

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(All amounts in Rupees Lacs unless otherwise stated)

			For the year ended 31st March 2022		For the year ended 31st March 2021
33	**Finance costs**				
	Interest expense on:				
	borrowings		68.76		55.86
	others		120.72		83.42
	Lease Liability		27.10		32.40
			216.58		171.68
34	**Depreciation and amortisation expense**				
	Depreciation of Property Plant and Equipments (refer note 7)		2,576.95		2,708.15
	Amortisation of intangible assets (refer note 7)		34.00		195.48
	Depreciation on Right to use assets (refer note 7)		509.08		484.73
			3,120.03		3,388.37
35	**Other expenses**				
	Manufacturing Expenses				
	Research & development expenses	51.87		58.97	
	Power and Fuel expenses	124.34		112.17	
	Testing expenses	52.93		121.46	
	Royalty on IPR's	792.99		840.26	
	Repair & maintenance expenses	14.94	1,037.07	13.94	1,146.80
	Administration expenses				
	Insurance expenses	89.74		76.61	
	Bank Charges	247.33		167.93	
	Rent, rates & taxes	254.98		569.76	
	Repair & maintenance				
	- Building	-		127.49	
	- Computer	295.73		254.01	
	- Vehicles	30.37		23.75	
	- Others	610.47		625.71	
	Legal & professional expenses	1,137.95		861.07	
	SIM card rental charges	68.47		60.25	
	Directors Sitting Fee	2.00		0.40	
	Conveyance Expenses	11.30		9.57	
	Books & periodical expenses	0.38		0.56	
	Electricity & water expenses	245.85		225.95	
	Generator running expenses	25.33		5.44	
	Membership & subscription	22.72		26.89	
	Postages & Telegram	3.44		7.06	
	Printing & Stationary	64.76		39.14	
	Telephone & Communication expenses	96.42		109.45	
	Travelling Charges	62.80		62.93	
	Watch & ward expenses	211.66		194.83	
	CSR Expenditure	402.00		352.29	
	Others	-		0.03	
	Donation	55.52	3,939.22	103.14	3,904.26
	Selling expenses				
	Advertisement and business promotion	13,514.66		11,953.94	
	Commission (C&F and Sales)	1,670.60		996.12	
	Freight	2,006.72		1,444.35	
	Promotional material	269.91		351.12	
	Exhibition expenses	-		1.30	
	Installation expenses	1,809.51		-	
	Warranty expenses	542.38		382.60	
	Customer care support service charges	445.71		388.14	
	Claim & Settlements	(29.09)		37.55	
	Travelling expenses	860.26	21,090.66	628.40	16,183.52
			26,066.95		21,234.58

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(All amounts in Rupees Lacs unless otherwise stated)

36 Income-tax expense

a) Income-tax expense through the statement of profit and loss

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Current tax:		
Current tax on profits for the year	5,221.87	6,017.03
Current tax expense /(benefits) pertaining to prior years	13.60	0.28
Minimum alternate tax no longer required	-	474.54
	5,235.47	6,491.84
Deferred tax		
In respect of current year origination and reversal of temporary differences	277.66	522.07
Deferred tax (benefit)/expense	277.66	522.07
Total tax expense	**5,513.13**	**7,013.91**

b) Income-tax on other comprehensive income

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Remeasurement of defined benefit obligations	22.24	0.71
Total tax expense/(credit)	22.24	0.71

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Profit before income-tax expense	20,526.62	24,934.60
Tax at the Indian tax rate of 25.168%	5,166.14	6,275.54
Tax effect of amounts which are not deductible (taxable) in calculating		
Effect of non deductible expenses	310.19	135.52
Effect of disallowances		
Income exempt from tax	(168.10)	(504.04)
Deductions allowed under Income-tax Act, 1961	88.31	
Current tax expense/(benefits) of earlier years	13.60	0.28
MAT Credit no longer required	-	474.54
Effect of change in rate of tax	(92.84)	
Others	195.83	632.07
Income-tax expense	**5,513.13**	**7,013.91**

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37 Earnings per share

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net profit attributable to equity shareholders for basic earnings/diluted earnings per share	15,013.49	17,920.69
Weighted average number of equity shares outstanding during the year for basic earning per share and diluted earning per share	985,700	985,700
Basic and diluted earnings per share in rupees (face value per equity share Rs. 10 each)	1,523.13	1,818.07

38 Employees Benefit

	As at 31st March 2022	As at 31st March 2021
Gratuity	574.86	630.38
Compensated absences	341.00	393.14

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan.

Particulars	Gratuity Fund *(Funded)*		Leave Encashment *(Unfunded)*	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Change in present value of obligation				
Present value of obligation as at the beginning of the year	1,183	1,006.07	393.14	510.95
Current service cost	215.82	194.52	109.60	36.60
Interest cost	63.81	55.30	21.21	28.08
Benefits paid	(55.92)	(48.10)	(35.62)	(18.65)
Actuarial loss/(gain) on obligation	(106.37)	(25.26)	(147.34)	(163.84)
Present value of obligation as at the end of the year	1,299.86	1,182.53	341.00	393.14
Change in fair value of plan assets				
Plan assets at the beginning of the year	552.15	389.67	-	-
Expected return on plan assets	29.80	21.42	-	-
Contribution by the Company	217.00	211.61	-	-
Benefits paid	(55.92)	(48.10)	-	-
Actuarial (loss) on plan assets	(18.02)	(22.45)	-	-
Plan assets at the end of the year	725	552	-	-
Liability recognized in the financial statement				
Present value of obligation as at the end of the year	1,299.86	1,182.53	341.00	393.14
Fair Value of Plan Assets	725.00	552.15	-	-
Net liability	574.86	630.38	341.00	393.14
Expense recognized in the Statement of Profit and Loss				
Current service cost	215.82	194.52	109.60	36.60
Net Interest cost	34.02	33.88	21.21	28.08
Actuarial loss/(gain)	-	-	(147.34)	(163.84)
	249.83	228.40	(16.53)	(99.16)
Expense recognised in the Other Comprehensive Income				
Actuarial loss on liabilities	(106.37)	(25.26)	-	-
Actuarial loss on assets	18.02	22.45	-	-
	(88.35)	(2.81)	-	-
Expense recognised in the total comprehensive income	161.48	225.59	(16.53)	(99.16)
Breakup of actuarial gain/loss				
Actuarial (gain)/loss arising from change in financial assumption	(36.47)	5.13	0.62	2.88
Actuarial (gain) arising from change in demographic assumption	4.88	12.53	(9.04)	1.61
Actuarial loss arising from experience adjustment	(74.78)	(42.92)	(138.92)	(168.33)
Actuarial loss on assets	18.02	22.45	-	-
	(88.35)	(2.81)	(147.34)	(163.84)

*Rs 47.01 lacs relates to the employees resigned during the year but full and final payment was made in FY 22-23 hence not included in current year cost as per actuary

Actuarial assumptions used

Particulars	Gratuity Fund *(Funded)*		Leave Encashment *(Unfunded)*	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Discount rate	6.00%	5.40%	6.00%	5.40%
Expected future salary increase	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	7.60%	7.60%	NA	NA

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38 Employees Benefit (contd')

Demographic assumptions used

Particulars	Gratuity Fund *(Funded)*		Leave Encashment *(Unfunded)*	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Mortality table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Retirement age	58 years and 60 years	58 years, 60 years and 75 years	58 years and 60 years	58 years, 60 years and 75 years
Withdrawal rate, based on age (per annum)				
upto 30 years	28.77%	30.93%	28.70%	30.93%
31-44 years	24.28%	24.15%	24.28%	24.15%
above 44 years	16.00%	16.93%	16.00%	16.93%

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life

Particulars		Gratuity Fund *(Funded)*		Leave Encashment *(Unfunded)*	
		For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Discount Rate (+/- 1%)	Increase	(58.09)	(53.48)	(14.41)	(16.76)
	Decrease	63.44	58.44	15.71	18.23
Future Salary increase (+/- 1%)	Increase	60.89	54.27	15.26	17.61
	Decrease	(57.06)	(50.89)	(14.28)	(16.52)
Withdrawal Assumption (+ / - 5%)	Increase	(76.04)	(84.90)	(8.89)	(12.73)
	Decrease	139.58	162.07	22.56	31.38
Mortality Assumption (+ / - 10%)	Increase	(0.11)	(0.09)	(0.04)	(0.10)
	Decrease	0.11	0.09	0.04	0.10

Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. During the year, the Company recognized Rs. 718.45 Lacs (previous year Rs. 649.00 Lacs) as expense towards contributions to these plans and included in "Employee benefits expense" in Note 31.

39 Provision for warranty

The movement in the provision for warranty during the year is as under:

Particulars	Balance as at 1st April 2021	Provision during the year	Utilized during the year	Reversal during the year	Balance as at 31st March 2022
Provision for warranty	239.17	542.38	499.96	-	281.59

39.1 Closing warranty expense is calculated based on historical data of replacement cost and is provided in the year of sale. Since the Group provides warranty for one year only, it is expected that the most of expenses against the provision will be incurred within one year only.

40 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26tjh August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, The total dues of micro, small and medium enterprises which were outstanding for more than stipulated period are Rs. Nil (previous year Rs. Nil) as on Balance Sheet Date.

Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006	2,035.43	1,657.20
Principal	2,035.43	1,657.20
Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid, but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(iv) The amount of interest due and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

Principal amount due to MSME suppliers includes Trade Payable for capital goods Rs. 143.81 Lacs (Previous year Rs. 6.99 Lacs).

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41 Contingent Liabilities and capital commitment:

Contingent Liabilities

Claims against the Group not acknowledged as debts:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
a. Ongoing proceedings conducted by Directorate General of GST Intelligence ('DGGI') (Refer Note 57)	1,752.08	1,752.08
b. Show cause notice for Value added Tax demand in relation to the financial year 2010-11 received from WB VAT authorities, Appeal filed with Joint Commissioner Commercial Taxes, Howrah	3.85	3.85
c. Against the Appellate Order No. 97/LTU/2014 dated 22.06.2017 of Joint Commissioner, W.B. Commercial Tax (LTU), Howrah Circle Revision Application being Revision Case No. 855/17-18 for the period 2012-13 filed before the W.B. Commercial Taxes Appellate & Revision Board.	-	15.14
d. Against the Order of Assistant Commissioner, UPGST - 3, Noida, U/s 129(3) dated 18.12.2017 of IGST / CGST / UPGST Act, 2017 arising out of seizure of goods dated 06.12.2017 Vehicle No. DL 01 LR 3752, appeal filed before the Additional Commissioner, Grade - II (Appeal) - 2, Noida	-	1.64
e. Against the Order of Assistant Commissioner, UPGST - 4, Noida, U/s 129(3) dated 01.05.2019 of IGST / CGST / UPGST Act, 2017 arising out of seizure of goods dated 27.04.2019 Vehicle No. DL 01 LAA 2390, appeal filed before the Additional Commissioner, Grade - II (Appeal) - 2, Noida	-	9.56
f. Against the Order of Assistant Commissioner, UPGST - 4, Noida, U/s 129(3) dated 01.05.2019 of IGST / CGST / UPGST Act, 2017 arising out of seizure of goods dated 27.04.2019 Vehicle No. DL 01 LAB 8054, appeal filed before the Additional Commissioner, Grade - II (Appeal) - 2, Noida	-	12.65

Capital Commitment

Estimated amount of contracts, net of advances, remaining to be executed on capital account and which have not been provided for in the standalone financial statements, aggregate to Rs.869.38 Lacs (Previous Year Rs. 7,094.89 Lacs).

42 Ind AS 115 - Revenue from contract with customers

Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues.

Revenue from operations	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of products		
Sales of manufactured goods	92,015.45	86,625.61
Sales of traded goods	11,146.59	9,672.72
	103,162.04	96,298.33
Sale of Services		
Maintenance charges	1,424.77	1,435.72
Total	**104,586.81**	**97,734.05**

Reconciliation of revenue from operations recognised in Statement of Profit and Loss with Contract price

Description	For the year ended 31st March 2022	For the year ended 31st March 2021
Contract price	105,262.48	99,411.27
Less: Rebates and discounts	675.68	1,677.22
Total	**104,586.81**	**97,734.05**

43 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7- Cash Flow

The table below details change in the Group's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Particulars	Opening balance as at 1st April 2021	Booking of lease liability at time of its initial recognition	Interest expense accrual	Deletion due to termination of Lease	Financing cash flows	Closing balance as at 31st March 2022
Lease liabilities	356.68	194.85	27.10	-	214.14	364.50
Borrowings	7.03	-	-	-	(1,073.34)	1,080.37

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

44 Leases

The Company leases a number of buildings. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future due to the effects of the COVID-19 pandemic, and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2022 and 2025. When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate. The weighted average rate applied is 8.43 % for lease executed in financial year 2019-20, 7.55 % for lease executed in financial year 2020-21 and 7.30% for lease executed in financial year 2021-22.

i) Lease liabilities are presented in the balance sheet as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Current	191.63	161.47
Non-current	172.87	195.21
Total	**364.50**	**356.68**

ii) **The following are amounts recognised in Standalone Statement of Profit and Loss:**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation expense of right of use asset	509.08	484.73
Interest expense on lease liabilities	27.10	32.40
Rent expense (relating to payments not included in measurement of lease liability on account of lease being short term lease/ Variable lease payments)	38.93	42.72
Total	**575.11**	**559.86**

iii) Total cash outflow for the leases for the year ended 31st March 2022 was Rs. 214.14 Lacs (previous year Rs. 204.63 Lacs)

iv) **The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:**

Right of use asset	No. of right of use asset leased	Range of remaining term (in years)	Average remaining lease term (in years)
Office building , warehouse and factory building	33	0 to 5	1.64
Lease hold land	33	50 to 90	76.83

v) The below table provides the movement of right-of-use assets:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	24,741	25,092
Add: Additions on account of new leases entered during the year	2,804	140
Less: Depreciation charged on the right-of-use assets	509	485
Less: Disposals/Reclass during the year	396	6
Balance at the end of the year	**26,640**	**24,741**

vi) **Lease payments not recognised as a liability**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenses relating to short term leases (included in other expenses)	38.20	38.71
Expenses relating to variable lease payments not included in lease payments	0.73	4.01
Total	**38.93**	**42.72**

vii) **The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:**

Particulars	As at March 31, 2022	As at 31st March 2021
Less than one year	198.22	187.17
One to five years	196.39	212.45
More than five years	-	-
Total	**394.61**	**399.62**

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(All amounts in Rupees Lacs unless otherwise stated)

45 Related party disclosures

a) Related party and nature of the related party relationship with whom transactions have taken place during the year

Key management personnel
Mr. Mahesh Gupta
Mr. Varun Gupta
Mrs. Sunita Gupta

Subsidiary Company
M/s Dreamland Exim Private Limited

Entity over which key management personnel or relatives of key management personnel exercises significant influence
M/s S.S. Appliances Private Limited
M/s Kent Appliances
M/s Imarti Media Private Limited
M/s Plus Plus Lifescience LLP

Relatives of Key management personnel
Mrs. Ridhima Gupta
Mrs. Surbhi Gupta
Mr. Sameer Agarwal

b) Transactions during the year

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Mahesh Gupta		
Remuneration paid	1,020.00	1,020.00
Perquisites paid	0.40	0.40
Rent Paid	16.50	15.00
License Fee for the use of Intellectual property rights	792.99	840.26
Varun Gupta		
Remuneration paid	120.00	120.00
Perquisites paid	0.40	0.40
Rent Free Furnished Accommodation	20.30	20.30
Electricity	3.08	3.20
Ridhima Gupta		
Remuneration paid	60.00	600.00
Perquisites paid	0.40	0.40
Surbhi Gupta / M/s Rasika Research & Design		
Professional & Consultancy Charges	36.00	27.00
M/s S.S. Appliances Pvt. Ltd		
Rent paid (Excluding Taxes)	38.10	38.10
Purchase of goods	0.72	0.93
M/s All clean Wipes		
Capital Return	-	12.18
M/s Clicktable Technologies LLP		
Capital Return	-	9.01
M/s Imarti Media Private Limited		
Digital Advertising	4,222.07	2,104.61
Sales of Goods	-	0.03
Reimbursement of Expenses	2.58	-
M/s Kent Appliances		
Sale /(Purchase) of goods	(5.36)	2.51

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SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

(All amounts in Rupees Lacs unless otherwise stated)

45 Related party disclosures (Contd')

c) Outstanding balance

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Mahesh Gupta		
Remuneration Payable	48.90	48.90
License Fee Payable	96.30	79.58
Varun Gupta		
Remuneration Payable	5.90	6.00
Ridhima Gupta		
Salary Payable	3.45	3.45
M/s Rasika Research & Design		
Payable	3.24	-
M/s Kent Appliances		
Receivable	26.53	12.72
M/s Imarti Media Private Limited		
Payable	245.00	277.81

46 Payment to Auditors'(included in legal and professional expenses under note 35)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Statutory audit fees and tax audit fees*	17.10	14.90
Other services & reimbursement	22.15	4.36
Total	**39.25**	**19.26**

* included Out of Pocket expenses

47 Particulars of unhedged foreign currency exposures as at the Balance Sheet Date

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as on reporting date are as under:

Particulars	Currency	For the year ended 31st March 2022		For the year ended 31st March 2021	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Amount payable to vendors	USD	15,47,937	11,73,48,207	14,66,917	10,79,78,047
Export receivables	USD	8,83,900	6,70,05,919	9,64,297	7,08,80,338

The following table details the Company's sensitivity to 1% increase and decrease in the 'Rs.' against the foreign currency

Foreign Currency	31st March 2022	31st March 2021
USD sensitivity		
USD increases by 1% when compared with INR	(5,03,402)	(3,69,973)
USD decreases by 1% when compared with INR	5,03,402	3,69,973

48 Segment Reporting

The Holding Company is primarily engaged in the business of manufacturing home appliances. Hence, as per the chief operating decision maker the sale of home appliances has been considered as a single operating segment per Ind AS 108 'Operating Segment' and accordingly disclosures have been limited to single operating

49 The group believes that responsible and sustainable business plays an important role in building a healthy and thriving society. As part of its commitment to doing business responsibly and sustainably, the Company strives to enhance access to healthcare and promotion of Arts and Cultural programme.

As a part of its Corporate Social Responsibility obligation, the Company undertook several initiatives during the year, details of which are mentioned in the schedule below:

	2021-22	2020-21
A. Gross amount required to be spent by the company during the year	380.82	351.19
B. Amount of Expenditure incurred and nature of CSR activities during the year	402.00	352.29
(i) Related parties transactions-		
- Kent Foundation - Payment to YEIDA for Land for Senior Secondary School for Poor Children (Construction & acquisition of Assets)	227.00	349.18
(ii) Others-		
- M/s Snacks India - Free Food for Poor during the COVID 19 Lockdown at Noida	-	2.10
- M/s Bottle Lab Technologies Pvt. Ltd. - Free Diner for Poor during COVID 19, Lockdown at Bng.	-	1.01
- Ved Vignan Maha Vidhyapeeth, Bangalore	150.00	-
- IIT, Kanpur	20.00	-
- M/s Satya Foundation	5.00	-
Total	**402.00**	**352.29**
C. Shortfall / (excess) at the end of the year	**(21.18)**	**(1.09)**

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(All amounts in Rupees Lacs unless otherwise stated)

50 Financial Instruments

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There are no financial liabilities measured at Fair Value as at 31st March 2022 and 31st March 2021.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31st March 2021 and 31st March 2022 as follows:

	Level 1	Level 2	Level 3	Total
As at 31st March 2021				
Investments in equity shares	2,193.45	-	5.36	**2,198.81**
Investments in Preference shares	-	-	998.00	**998.00**
Investments in Mutual Funds	3,731.19	-	-	**3,731.19**
	5,924.64	**-**	**1,003.36**	**6,928.00**
As at 31st March 2022				
Investments in equity shares	5,972.46	-	2.71	**5,975.17**
Investments in Preference shares	-	-	998.00	**998.00**
Investments in Mutual Funds	7,230.14	-	-	**7,230.14**
	13,202.61	**-**	**1,000.71**	**14,203.32**

The fair value of investments in quoted equity instruments is based on the current bid price of respective investments as at the balance sheet date.

51 Financial risk management

i) Financial instruments by category

Particulars	31st March 2022		31st March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Non current financial assets				
Security deposits	-	102.10	-	77.97
Investments in equity shares	2.71		5.36	
Investment in Preference shares	998.00		998.00	
Fixed deposits with Bank maturity of more than 12 months		5,103.87		1,288.60
Current financial assets				
Investments in equity shares	5,972.46	-	2,193.45	-
Investment in mutual funds	7,230.14		3,731.19	
Trade receivable		5,722.00		4,845.79
Cash and cash equivalents	-	1,726.52	-	1,267.88
Bank balances other than cash and cash equivalents	-	26,884.51	-	34,915.55
Loans				
Security deposits	-	1,203.10	-	1,159.13
Other receivable	-	222.96	-	90.78
Total financial assets	**14,203.32**	**40,965.04**	**6,928.00**	**43,645.68**
Non current financial liabilities				
Lease liabilities	-	172.87	-	195.21
Current financial liabilities				
Borrowings	-	1,080.37	-	7.04
Trade Payables	-	5,370.78	-	6,851.36
Employee related payables	-	1,219.08	-	1,109.04
Security deposits	-	745.58	-	725.57
Trade payables for capital goods	-	411.70	-	183.25
Lease liabilities		191.63		161.47
Other payables	-	1,439.30	-	663.18
Total financial liabilities	**-**	**10,631.30**	**-**	**9,896.12**

a) The carrying value of trade receivables, securities deposits, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

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ii) Risk management

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of the same in the financial statements.

***(i)* Foreign currency risk**

The group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the group's functional currency. The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies to manage its risks.

The group's foreign currency exposure on accounts payable that have not been hedged by a derivative instrument or otherwise are given in note no. 47

Foreign currency sensitivity

There shall be no material impact on profit before tax due to 1% increase/decrease in foreign exchange rates.

***(ii)* Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the group causing financial loss. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables. The group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

The group continuously monitors defaults of customers and other counterparties, identified either individually or by the group, and incorporates this information into its credit risk controls. The group's policy is to deal only with creditworthy counterparties.

The Trade receivables of the group are typically noninterest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

The group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

The credit risk for cash and cash equivalents, bank deposits, loans is considered negligible.

group provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the group can draw to apply consistently to entire population. For all financial assets, the group's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

***(iii)* Liquidity risk**

Liquidity risk refers to the risks that the group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The group consistently generated sufficient cash flows from operations to meet its obligations as and when that fall due.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31st March 2022

Particulars	Less than 1 year	More than 1 year	Total
Borrowings	1,080.37	-	**1,080.37**
Trade payables	5,370.78	-	**5,370.78**
Employee related payables	1,219.08	-	**1,219.08**
Security deposits	745.58	-	**745.58**
Trade payables for capital goods	411.70	-	**411.70**
Lease liability	191.63	172.87	**364.50**
Other payables	1,439.30	-	**1,439.30**
	10,458.43	**172.87**	**10,631.30**

As at 31 March 2021

Particulars	Less than 1 year	More than 1 year	Total
Borrowings	7.04	-	**7.04**
Trade payables	6,851.36	-	**6,851.36**
Employee related payables	1,109.04	-	**1,109.04**
Security deposits	725.57	-	**725.57**
Trade payables for capital goods	183.25	-	**183.25**
Lease liability	161.47	195.21	**356.68**
Other payables	663.18	-	**663.18**
	9,700.91	**195.21**	**9,896.12**

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(iv) **Price risk**

Exposure from investment in equity instruments

The group's exposure to price risk arises from investments in equity instruments held by the group and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in equity instruments, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Sensitivity:

Instruments	As at 31 March 2022		As at 31 March 2021	
	Change	Change in value of investment*	Change	Change in value of investment*
Equity Instruments	5% Increase	298.76	5% Increase	109.94
	5% Decrease	(298.76)	5% Decrease	(109.94)
Preference shares	5% Increase	49.90	5% Increase	49.90
	5% Decrease	(49.90)	5% Decrease	(49.90)
Mutual Funds	5% Increase	361.51	5% Increase	186.56
	5% Decrease	(361.51)	5% Decrease	(186.56)

* Negative values indicate decrease in value of investment

(v) **Interest risk**

Assets

The group's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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(All amounts in Rupees Lacs unless otherwise stated)

52 Capital work in progress (CWIP) Ageing Schedule

As at 31st March 2022

	Amount of CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	5,879.87	2,382.98	1,921.82	408.12	10,592.79
Projects temporarily suspended	-	-	-	-	-
	5,879.87	**2,382.98**	**1,921.82**	**408.12**	**10,592.79**

As at 31st March 2021

	Amount of CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	2,558.49	1,921.82	395.53	16.59	4,892.43
Projects temporarily suspended	-	-	-	-	-
	2,558.49	**1,921.82**	**395.53**	**16.59**	**4,892.43**

53 Intangible assets under development ageing schedule

As at 31st March 2022

	Amount of intangible assets for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at 31st March 2021

	Amount of intangible assets for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	47.20	50.00	-	-	97.20
Projects temporarily suspended	-	-	-	-	-
	47.20	**50.00**	-	-	**97.20**

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54 Trade receivable ageing schedule

as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	2,910.34	2,559.40	149.71	58.19	18.61	25.76	5,722.00
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

as at 31st March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	2,758.11	1,939.06	82.81	40.03	23.30	2.47	4,845.79
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

55 Trade Payable Ageing schedule

as at 31st March 2022

Particulars	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,891.62		-	-	-	1,891.62
(ii) others	1,874.12	1,486.13	44.38	1.02	-	3,405.66
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	73.50	73.50

as at 31st March 2021

Particulars	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,650.21		-	-	-	1,650.21
(ii) others	2,581.18	2,528.92	10.66	0.83	6.05	5,127.65
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	73.50	-	73.50

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56 **Disclosure of ratios**

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	4.73	4.70	0.67%	Not Applicable
Debt-equity ratio	Total debt including lease liability	Shareholders fund	0.01	0.00	255.66%	During the year end the company has utilised its credit limit amounting to Rs.1,075.98 lacs however during FY 2020-21 such utilization was only Rs. 4.75 lacs
Debt service coverage ratio	Earnings before interest tax and depreciation	Borrowings repayment done during the year including interest component on same[1]	59.12	82.86	-28.64%	Due to decrease in company EBIT, there is significant decline in debt service coverage ratio
Return on equity ratio	Profit after tax	Average Shareholders fund	0.11	0.15	-26.39%	During the year there is significant decline in profit after tax, resulting in decrease in return on equity
Inventory turnover ratio	Cost of goods sold	Average inventory	1.67	1.73	-3.34%	Not Applicable
Trade receivable turnover ratio	Net annual credit sale	Average trade receivables	19.82	19.99	-0.86%	Not Applicable
Trade payable turnover ratio	Net annual credit purchase	Average trade payable	7.46	6.55	13.96%	Not Applicable
Net capital turnover ratio	Net annual sales	Average Working capital	1.56	1.69	-7.96%	Not Applicable
Net profit ratio	Profit after tax	Operational revenue	0.14	0.18	-21.68%	Not Applicable
Return on capital employed	Earnings before interest depreciation and tax	Capital employed[2]	0.16	0.22	-25.67%	Due to decrease in company EBIT, there is significant decline in return on capital employed ratio
Return on investment	Return on investment	Average Investment[3]	0.07	0.09	-19.92%	Not Applicable

[1] Interest repayment & principal repayment of lease liability

[2] Capital employed = Tangible net worth + Borrowing + Lease liability + Deferred tax liability

[3] Average Investment = Average loans to others + Investment in quoted investment + balance in fixed deposit

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57 DGGI proceedings

During Previous financial year, Directorate General of GST Intelligence ('DGGI') conducted search in Holding company premises and commenced investigation into the books of accounts of the Company in the month of December 2020. Pursuant to said search, subsequent enquiries were made by DGGI which had been duly responded to by the Holding Company. As the said investigation is still under process, the Holding company is not able to determine the outcome of the investigation or its likely financial impact.

During ongoing investigations DGGI came out with certain findings related to excess input credits availed. Though as per the management's detailed analysis, all input credits availed were in line with the provisions of GST Act, the Holding company, in order to buy peace of mind pending the outcome of the proceedings, has reversed input credits and paid amount of Rs 731.67 Lacs /- alongwith interest and penalty of Rs. 196.45 Lacs and Rs. 64.15 Lacs respectively during previous financial year. Though the effect of all these payments made under protest have been taken in the books of accounts of the financial year 2020-21 & Financial year 2021-22, the Holding company on formal conclusion of the proceedings will consider and take necessary action for refund of the input credits, interest and penalty.

In addition to the above, DGGI has also alleged that the Holding company has availed excess budgetary support in the previous financial years amounting to Rs 1,752.07.00 lacs. The Holding company, in order to buy peace of mind, has paid Rs 1,024.00 lacs to Department for Promotion of Industry and Internal Trade ('DPIIT') under protest in July 2021. Further, claim of the Holding company for the balance amount of Rs 728.07 lacs has been put on hold by DPIIT. As per the management's detailed analysis, all budgetary support claimed and availed by the Holding company has been in accordance with the provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated 5th October 2017 and therefore, the Holding company has decided not to reverse the income on account of DGGI finding and the company shall take necessary action for refund of the amount paid and for the pending claim on formal conclusion of the proceedings.

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58 During the financial year 2021-2022, the holding company is having three manufacturing units situated at following locations:
i) Khasra No. 93, Village - Bantakheri, Roorkee
ii) E - 6,7 & 8, Sector - 59, Noida and
iii) A - 06, Sector - 87, Noida.

59 Other statutory information

(i) Title deeds of immovable properties not held in name of Group
Title deeds of all the immovable properties are held in the name of the group.

(ii) Details of Benami Property held
The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(iii) Relationship with Struck Off Companies
The group does not have any transactions with companies struck off under Section 248 of Companies Act 2013 or Section 560 of Companies Act, 1956.

(iv) Transaction in virtual assets
The group has not traded or invested in crypto currency or virtual currency during the financial year

(v) Utilisation of borrowed funds and share premium
(I)The group has not advanced or loaned or invested funds to any other person(s) or entities including foreign entities (intermediaries) with the understanding that intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of group (ultimate beneficiaries)
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(II) The group has not received any funds from any person(s) or entity(ies), including foreign entities(funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf funding party(ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) Undisclosed Income
The group 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, 1961(such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vii) Wilful Defaulter
The group is not declared as wilful defaulter by any bank or financial institution or other lender.

(viii) Registration of charge or satisfaction with registrar of companies
The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

60 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The management of Holding Company has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Group's assets in future may differ from that estimated as at the date of approval of these financial statements.

As per our report of even date attached

For SNR & Company
Chartered Accountants
Firm Regn. No.014401N

SNR & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Suresh Vyas
Partner
Membership No. 082658

Place: New Delhi
Date: 12.09.2022

For and on Behalf of the Board of Directors of
Kent RO Systems Limited

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328