

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 2023, 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 2023, 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 no. 56 and Note no. 57 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ("DGGI") matter and certain income tax matters.

For DGGI matter mentioned in note no. 56, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in note no. 57, the Holding Company has filed appeals against certain tax demands.

We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters.



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Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2023

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 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.



Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2023

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 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



Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2023

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 respective Companies, none of the Directors of the Group Companies covered under the Act, are disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164((2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the 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



Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2023

- 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 2023;
 - 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(xiii) 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 (xiii) 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;
 - v) The Group has not declared or paid any dividend during the year; and



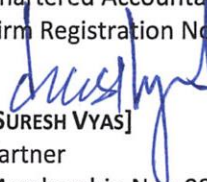
Independent Auditors' report to the members of Kent RO Systems Private Limited on the consolidated financial statements for the year ended 31st March 2023

- vi) Proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility, is applicable to the Group with effect from 1st April 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023

FOR SNR & COMPANY

Chartered Accountants

Firm Registration No.: 014401N


[SURESH VYAS]

Partner

Membership No.: 082658



Date: 20/09/2023

Place: New Delhi

ICAI UDI No.: 23 082658 BH BJK 8097

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 2023

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 2023, 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



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 2023

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 2023, 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

[SURESH VYAS]

Partner

Membership No.: 082658



Date: 20/09/2023

Place: New Delhi

ICAI UDI No.: 23082658BHBJOK8097

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Balance Sheet as at 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
[A] Non current assets			
(a) Property, plant and equipment	6a	34,377.46	24,288.48
(b) Capital work in progress	6b	6,510.07	10,592.79
(c) Intangible assets	6c	206.43	223.08
(d) Intangible assets under development	6d	-	-
(e) Right of use assets	6e	29,514.68	26,639.85
(f) Financial assets			
(i) Investments	7	1,000.71	1,000.71
(ii) Other financial assets	8	400.66	5,205.97
(g) Deferred tax assets (net)	10	402.37	-
(h) Others non-current assets	11	6,482.02	9,141.85
Total Non-current assets		78,894.40	77,092.73
[B] Current assets			
(a) Inventories	12	34,565.67	26,982.30
(b) Financial assets			
(i) Investments	7	10,126.93	13,202.61
(ii) Trade receivables	13	6,065.14	5,722.00
(iii) Cash and cash equivalents	14	1,232.01	1,726.52
(iv) Bank balances other than cash and cash equivalents	15	29,145.33	26,884.51
(v) Loans	16	698.36	1,203.10
(vi) Other financial assets	8	616.87	222.96
(c) Income-tax assets	9	4,398.24	5,347.14
(d) Other current assets	11	6,331.72	5,637.46
Total current assets		93,180.27	86,928.60
TOTAL ASSETS		172,074.67	164,021.33
EQUITY AND LIABILITIES			
[C] Equity			
(a) Equity share capital	17	96.60	98.57
(b) Other equity			
Reserves and surplus	18	149,730.55	143,951.86
(c) Non-controlling interests		0.16	0.16
Total equity		149,827.31	144,050.59
Liabilities			
[D] Non current liabilities			
(a) Financial liabilities			
Lease liability	19	165.89	172.87
(b) Other non-current liabilities	20	1.33	1.75
(c) Provisions	21	1,907.66	1,288.05
(d) Deferred tax liabilities (net)	10	-	582.96
Total non current liabilities		2,074.88	2,045.63
[E] Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	22	1,343.02	1,080.37
(ii) Lease liability	19	211.12	191.63
(iii) Trade payables	23		
Total outstanding dues of micro & small enterprises		1,920.54	1,891.62
Total outstanding dues other than micro & small enterprises		5,868.32	3,479.16
(iv) Other financial liabilities	24	3,981.69	3,073.06
(b) Other current liabilities	25	2,078.43	2,335.40
(c) Provisions	21	824.02	652.00
(d) Current tax liabilities	26	3,945.34	5,221.87
Total current liabilities		20,172.48	17,925.11
TOTAL EQUITY AND LIABILITIES		172,074.67	164,021.33

Basis of preparation, measurement and significant accounting policies 2-5

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

As per our report of even date annexed

For SRR & Company
Chartered Accountants
Firm Regn. No. 013401N

Suresh Vyas
Partner

Membership No. 082658

Place: New Delhi

Date: 20/09/2023

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

Mahesh Gupta Varun Gupta
Chairman and Managing Director Joint Managing Director

DIN - 00458281

DIN - 00458328

Place: New Delhi
Date: 18/09/2023

Place: New Delhi
Date: 18/09/2023

ICAI UDI No. 23082658BHBJOK8097

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Statement of Profit and Loss for the year ended 31st March 2023
(All amounts in Ruppes Lacs unless otherwise stated)

S.N.	Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
[A]	Income			
(a)	Revenue from operations	27	108,439.35	104,736.56
(b)	Other income	28	2,475.09	3,830.45
	Total income		110,914.44	108,567.01
[B]	Expenses			
(a)	Cost of material consumed	29	36,569.02	34,023.72
(b)	Purchase of stock-in-trade	30	9,382.82	9,304.56
(c)	Increase in inventories of finished goods, work-in-progress and stock-in-trade	31	(3,962.04)	(723.44)
(d)	Employee benefit expenses	32	18,017.35	16,031.99
(e)	Finance cost	33	269.73	216.58
(f)	Depreciation and amortisation	34	4,129.30	3,120.03
(g)	Other expenses	35	34,247.74	26,066.95
	Total expenses		98,653.92	88,040.39
[C]	Profit before tax		12,260.52	20,526.62
[D]	Tax expense	36		
	- Current tax expense		3,945.34	5,221.87
	- Tax expense earlier years		-	13.60
	- Deferred tax (benefit)/expense		(984.33)	277.66
			2,961.01	5,513.13
[E]	Profit for the year [C-D]		9,299.51	15,013.49
	Profit/(loss) for the year attributable to			
	Holding company		9,299.51	15,013.49
	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	(3.96)		88.35
	Income tax relating to items that will not be reclassified subsequently to profit or loss			
	Remeasurements of the net defined benefit plans	1.00	(2.96)	(22.24)
				66.11
	Total comprehensive income for the year		9,296.55	15,079.60
	Total comprehensive income for the year attributable to			
	Holding company		9,296.55	15,079.61
	Non-controlling interests		(0.00)	(0.00)
[G]	Earnings per equity share	37		
	Basic and Diluted (Fair value of Rs. 10/- per share)		952.97	1,523.13
	Basis of preparation, measurement and significant accounting policies	2-5		

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: 20/09/2023

ICAI UDI NO. 23082658BHBJOK8097

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

Mahesh Gupta
Chairman and Managing
Director

DIN - 00458281

Place: New Delhi
Date: 18/09/2023

Varun Gupta
Joint Managing Director

DIN - 00458328

Place: New Delhi
Date: 18/09/2023

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Cash Flow Statement for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	12,260.52	20,526.62
Adjustment for:		
Unrealised loss/(profit) on investments, net	1,047.73	(647.28)
Depreciation and amortisation expense	4,129.30	3,120.03
Amortisation of capital subsidy	(0.41)	(0.55)
(Profit) / Loss on sale of Property Plant and Equipments	141.96	(13.85)
Dividend income	(93.39)	(33.75)
Interest Income	(1,853.72)	(1,806.87)
Interest Expense	269.73	216.58
Loss/(profit) Termination of Lease Liability	(1.62)	-
Operating profit before working capital changes	15,900.10	21,360.93
<i>Adjustment for (increase)/decrease in operating assets :</i>		
Non-current financial assets	(8.25)	(22.47)
Other non-current assets	2,659.83	(2,216.53)
Inventories	(7,583.36)	(2,976.01)
Trade receivables	(343.14)	(876.21)
Financial assets - loans	504.74	(43.97)
Other current financial assets	(393.91)	(132.18)
Other current assets	(694.25)	459.13
<i>Adjustments for increase in operating liabilities:</i>		
Provisions	787.67	(65.23)
Trade payables	2,418.09	(1,480.58)
Other financial liabilities	908.63	1,134.62
Other liabilities	(256.98)	526.57
Cash flow from operations	13,899.17	15,668.07
Net income-tax paid (net of refund)	(4,272.98)	(5,736.18)
Net cash flow generated from operating activities	9,626.19	9,931.89
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property plant and equipment, intangible assets and movement in capital work-in-progress, capital advances	(13,029.75)	(9,668.39)
Proceeds from sale of Property Plant and Equipments	106.65	76.91
Investment in equity shares and mutual funds, net	2,027.94	(6,628.04)
Movement in fixed deposits, net	2,552.73	4,215.77
Dividend income	93.39	33.75
Interest income	1,853.72	1,806.87
Net cash flow used in investing activities	(6,395.32)	(10,163.13)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(243.29)	(189.48)
Cash outflow on lease liabilities	(224.90)	(214.14)
Movement in current borrowings, net	262.64	1,073.33
Buy Back of Shares (Net of Tax)	(2,854.78)	-
Tax on Buyback of shares	(665.05)	-
Net cash flow (utilised in)/generated from financing activities	(3,725.38)	669.72
Cash and cash equivalents at the beginning of the year	1,726.52	1,288.04
Net (decrease)/increase in cash and cash equivalents	(494.51)	438.48
Cash and cash equivalents at the end of the year (refer note 14)	1,232.01	1,726.52

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: 20/09/2023

ICAI UDI NO. 23082658BHBJOK8097

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

Mahesh Gupta

Chairman and
Managing Director
DIN - 00458281

Place: New Delhi
Date: 18/09/2023

Varun Gupta

Joint Managing Director
DIN - 00458328

Place: New Delhi
Date: 18/09/2023

Kent RO Systems Limited
CIN - U41000DL2007PLC161952
Consolidated Statement of Change in Equity for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

A. Equity share capital

Balance as at 31st March 2021	17	985,700	98.57
Changes in equity share capital during the year		-	-
Balance as at 31st March 2022	17	985,700	98.57
Changes in equity share capital during the year			
-Buyback of shares		(19,714)	(1.97)
Balance as at 31st March 2023	17	985,700	98.57

B. Other equity

Particulars	Reserves and surplus		Other reserves	Total
	Retained earnings	Capital Redemption Reserve	Capital Reserve	
Balance as at 31st March 2021	128,792.16	-	80.10	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	143,871.76	-	80.10	143,951.86
Profit for the year	9,299.51	-	-	9,299.51
Other comprehensive income	(2.96)	-	-	(2.96)
Premium on buyback of shares	(2,852.81)	-	-	(2,852.81)
Tax on Buy Back	(665.05)	-	-	(665.05)
Transfer to Capital Redemption Reserve	(1.97)	1.97	-	-
Balance as at 31st March 2023	149,648.48	1.97	80.10	149,730.55

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: 20/09/2023

ICAI UDI No. 23082658BHBJ0K8097

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


Mahesh Gupta
Chairman and
Managing Director

DIN - 00458281

Place: New Delhi
Date: 18/09/2023


Varun Gupta
Joint Managing Director

DIN - 00458328

Place: New Delhi
Date: 18/09/2023

Kent RO Systems Limited**Notes to the Consolidated financial statements for the year ended 31st March 2023****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, Fans & 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 Indian Rupees (INR) 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

The Group has decided to round off the figures to the nearest Lakhs. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

3 Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the 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.

3.1 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.

4 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Based on preliminary assessment.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Based on preliminary assessment.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its consolidated financial statements.



KENT RO Systems Limited

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

5 Summary of significant accounting policies

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

5.1 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.

5.2 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

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, delive

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.



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023

5.3 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 Consolidated 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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5.3 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.

5.4 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.

5.5 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 any.

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 Consolidated 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.

5.6 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.

5.7 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.



5.8 Financial instruments

Financial assets

Trade Receivables

Trade receivables are initially recognised at transaction price. 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 Consolidated 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 Consolidated 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.

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5.8 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.

5.9 Fair value measurement

The Group measures financial instruments at fair value at each 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.



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 14) 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 consolidated statement of profit and loss on a straight-line basis over the lease term.

5.11 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling 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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5.12 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.

5.13 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 loss or credit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred 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).

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023

5.14 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.

5.15 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.

5.16 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.

5.17 Operating expenses

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

5.18 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.

5.19 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.



5.20 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.

5.21 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.

5.22 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.

5.23 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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5.23 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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6 Property, plant and equipments, capital work-in-progress and other intangible assets

Particulars	Property, Plant and Equipments and Other Tangible Assets										Capital work-in-progress (b)	Intangible assets under development	Right to use Assets		Total (a+b+c+d+e)
	Freehold land	Buildings	Plant and machinery	Moulds	Electric fittings	Computers and Networking	Furniture and fittings	Office equipments	Vehicles	Commercial vehicles			Total (a)	Leasehold Intangible assets	
Cost as on 01st April 2021	742.90	27,370.21	4,703.80	1,783.52	1,237.70	1,028.61	1,045.79	550.17	14.27	39,285.24	4,892.43	1,196.64	25,575.12	71,026.62	
Re-classification	398.05	109.88	395.05	271.52	(0.22)	4.85	13.71	269.75	-	1,386.05	9,576.69	186.89	1386.05	13,928.47	
Less: Disposals/adjustments	-	-	-	-	-	-	-	-	-	1,593.36	8,776.33	186.89	2,158.25	13,928.47	
Cost as on 31st March 2022	1,138.94	27,480.09	5,019.81	2,055.03	1,337.52	1,033.46	1,059.50	527.97	14.27	40,368.86	10,592.73	1,383.54	27,825.05	80,195.22	
Additions	-	9,317.35	2,335.63	459.32	405.57	288.70	390.07	398.04	-	13,677.94	12,824.01	32.50	3,472.66	30,039.61	
Less: Disposals/adjustments	-	36,787.44	7,355.44	97.77	1,36.19	1,459.83	1,439.19	736.19	14.27	53,680.63	16,906.72	1,416.04	2,19.36	17,522.76	
Cost as on 31st March 2023	-	7,162.38	2,530.04	887.26	601.96	974.82	732.14	808.41	199.03	14,001.76	6,510.07	1,209.60	31,078.35	92,695.08	
Change for the year	-	1,418.80	435.56	183.80	48.21	201.24	73.87	48.11	163.88	2,576.95	-	1,126.45	278.51	834.37	
Reversal on disposals	-	-	60.67	-	-	59.17	59.17	8.22	264.40	500.33	-	34.10	187.15	509.08	
Accumulated depreciation as on 31st March 2022	-	8,581.18	2,694.83	1,071.06	650.18	1,068.19	849.30	98.51	8.19	16,075.38	-	1,160.45	159.25	658.59	
Change for the year	-	1,903.80	676.16	224.89	110.10	227.84	62.27	152.47	154.47	3,318.00	-	49.15	307.40	1,185.20	
Reversal on disposals	-	-	-	87.51	-	129.41	1.38	70.51	-	238.81	-	-	197.04	4,129.30	
Accumulated depreciation as on 31st March 2023	-	10,484.78	3,581.09	1,208.53	760.28	1,168.62	869.12	1,100.39	182.47	19,303.17	-	1,209.60	188.07	476.88	
Net Block	-	18,698.61	2,114.88	983.97	140.08	200.23	219.70	101.50	6.08	24,286.48	10,592.79	223.08	337.02	61,695.30	
Balance as at 31st March 2022	1,138.94	26,372.66	3,774.35	1,208.04	435.56	314.31	240.68	338.80	609.72	34,377.46	6,510.07	206.43	352.58	70,559.74	
Balance as at 31st March 2023	-	7,162.38	2,530.04	887.26	601.96	974.82	732.14	808.41	199.03	14,001.76	6,510.07	1,209.60	31,078.35	92,695.08	

¹ For Capital work in progress ageing schedule refer note 52



Kent RO Systems Limited**Notes to the Consolidated financial statements for the year ended 31st March 2023***(All amounts in Rupees Lacs unless otherwise stated)***7 Investments**

Particulars	As at 31st March 2023	As at 31st March 2022
Non-current		
Investment carried at fair value through profit and loss		
Equity instruments (unquoted)	2.71	2.71
Investment in compulsorily convertible preference shares (Unquoted)	998.00	998.00
Total [A]	1,000.71	1,000.71
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)	6,196.39	5,972.46
Investment in Mutual Funds (quoted)	3,930.54	7,230.14
Total [B]	10,126.93	13,202.61
Total [A+B]	11,127.64	14,203.32

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
8 Other financial assets (Unsecured and considered good)		
Non-current		
Fixed deposits with Bank maturity of more than 12 months*	240.31	5,103.87
Security deposits	110.35	102.10
Total non - current assets (a)	<u>400.66</u>	<u>5,205.97</u>
* It includes fixed deposits amounting to Rs. 290.31 Lacs (31st March 2022 - Rs. 3.40Lacs/-), lying with banks as margin money against guarantees issued by them		
Current		
Security deposits	567.10	197.08
Other Receivables	49.77	25.88
Total current assets (b)	<u>616.87</u>	<u>222.96</u>
Total (a+b)	<u>1,017.53</u>	<u>5,428.93</u>
9 Income-tax assets		
Non-current		
Total non - current assets (a)	<u>-</u>	<u>-</u>
Current		
Advance tax and TDS recoverable	4,398.24	5,347.14
Total current assets (b)	<u>4,398.24</u>	<u>5,347.14</u>
Total (a+b)	<u>4,398.24</u>	<u>5,347.14</u>
10 Deferred tax asset (net)		
(b) Deferred tax asset on account of :		
Capital subsidy	0.34	0.44
Provision for employee benefits & Other Provisions	822.63	336.05
Provision for doubtful debts and advances	171.31	-
Lease liability	94.88	91.74
	<u>1,089.16</u>	<u>428.22</u>
(a) Deferred tax liability on account of:		
Right of use assets	583.12	604.78
Difference between accounting base and tax base of property, plant and equipment	129.80	5.94
Financial assets at fair value through profit or loss	(26.14)	400.47
	<u>686.78</u>	<u>1,011.18</u>
Net deferred tax (liabilities)/assets at the end of the year	<u>402.37</u>	<u>(582.96)</u>
Net deferred tax assets/(liabilities) at the beginning of the year	(582.96)	(283.06)
Current year charge/(credit)	(985.33)	299.90

10.1 Movement in deferred tax assets and deferred tax liabilities from 1st April 2022 to 31st March 2023

Particulars	Opening balance as on 1st April 2022	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance as on 31st March 2023
Deferred tax asset arising on account of				
Capital subsidy	0.44	(0.10)	-	0.34
Provision for employee benefits & Other Provisions	336.05	485.58	1.00	822.63
Provision for doubtful debts and advances	-	171.31	-	171.31
Lease liability	91.74	3.15	-	94.89
	<u>428.22</u>	<u>659.94</u>	<u>1.00</u>	<u>1,089.16</u>
Deferred tax liability arising on account of				
Right of use assets (excluding leaseold rights)	604.78	(21.65)	-	583.12
Difference between accounting base and tax base of property, plant and equipment	5.94	123.86	-	129.80
Financial assets at fair value through profit or loss	400.47	(426.60)	-	(26.13)
	<u>1,011.18</u>	<u>(324.39)</u>	<u>-</u>	<u>686.79</u>
Net deferred tax assets/(liabilities)	<u>(582.96)</u>	<u>984.33</u>	<u>1.00</u>	<u>402.37</u>



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022		
10.2 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	1.97	-	91.74
	<u>513.45</u>	<u>(62.99)</u>	<u>(22.24)</u>	<u>428.22</u>
Deferred tax liability arising on account of				
Right of use assets (excluding leaseold 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
	<u>796.51</u>	<u>214.67</u>	<u>-</u>	<u>1,011.18</u>
Net deferred tax assets/(liabilities)	<u>(283.06)</u>	<u>(277.66)</u>	<u>(22.24)</u>	<u>(582.96)</u>
11 Other non-current assets				
<i>(Unsecured and considered good)</i>				
Capital advances	5,610.82		8,095.17	
Less: Provision for Doubtful Debts	-	5,610.82	-	8,095.17
Prepaid expenses		871.20		1,046.67
Total non-current assets (a)		<u>6,482.02</u>		<u>9,141.85</u>
Other current assets				
Prepaid expenses		603.00		455.50
Advance to vendors		775.04		790.09
Advances to employees		9.01		12.21
Balances with government authorities*		4,944.67		4,379.67
Total current assets (b)		<u>6,331.72</u>		<u>5,637.46</u>
Total (a+b)		<u>12,813.74</u>		<u>14,779.31</u>
*Refer Note number 50				
12 Inventories				
<i>(At lower of cost or net realisable value)</i>				
Raw materials		17,498.33		13,973.83
Packing material		334.47		237.65
Finished goods		12,975.65		8,684.60
Stock in Trade		3,757.22		4,086.23
Total		<u>34,565.67</u>		<u>26,982.30</u>

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RUNTI HIT SYSTEMS LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
13 Current assets - TRADE RECEIVABLES		
Considered good - secured	-	-
Considered good - unsecured	6,065.14	5,722.00
Credit impaired	-	-
Less: loss allowance	-	-
Total	<u>6,065.14</u>	<u>5,722.00</u>
* For Trade receivable ageing schedule refer note 53		
14 Cash and cash equivalents		
Cash on hand	9.80	11.27
Balances with banks in current accounts	1,073.56	1,267.14
Balance with Payment Gateways	148.65	448.10
	<u>1,232.01</u>	<u>1,726.52</u>
15 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	25,994.58	23,475.06
Earmarked balances with banks in fixed deposits*	3,150.75	3,409.44
	<u>29,145.33</u>	<u>26,884.51</u>
* Fixed deposits pledged with banks as margin money against overdrafts and guarantees issued by them		
16 Current assets - Loans (Unsecured and considered good)		
Loan to others	1,379.02	1,203.10
Less: Provision for Doubtful Debts	<u>680.66</u>	<u>-</u>
	<u>698.36</u>	<u>1,203.10</u>

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount (in Rs Lacs.)	Number of shares	Amount (in Rs Lacs.)
17 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	965,986	96.60	985,700	98.57
17(a) Reconciliation of equity shares				
Particulars	As at 31st March 2023 Number of shares	Amount (in Rs.)	As at 31st March 2022 Number of shares	Amount (in Rs.)
Equity shares outstanding at the beginning of the year	985,700	98.57	985,700	98.57
Equity share issued during the year	-	-	-	-
Equity share buy back during the year	(19,714)	(1.97)	-	-
Equity shares outstanding at the end of the year	965,986	96.60	985,700	98.57

17(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.

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

	As at 31st March 2023		As at 31st March 2022	
	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	494,410	51.18%	504,500	51.18%
Mrs. Sunita Gupta	353,780	36.62%	361,000	36.62%
Mr. Varun Gupta	115,640	11.97%	117,999	11.97%
	<u>963,830</u>	<u>99.78%</u>	<u>983,499</u>	<u>99.78%</u>

17(d) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years to be given for each class of shares

Aggregate number and class of shares bought back

The Holding Company, during the current financial year, had done the buyback of 19,714 fully paid-up equity shares of face value of Rs. 10 each ("equity shares"), representing 2% of the then total paid-up equity share capital of the Company at the time of aforesaid buyback, at a price of Rs.14,481 per equity share for an aggregate amount of Rs.2,854.78 Lacs Subsequent to completion of buyback, the Holding Company has transferred Rs.1.97 Lacs to Capital Redemption Reserve representing face value of equity shares bought back.

17(e) Details of Equity Shares held by the Promoters of the Company

	As at 31st March 2023		As at 31st March 2022	
	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	494,410	51.18%	504,500	51.18%
Mrs. Sunita Gupta	353,780	36.62%	361,000	36.62%
Mr. Varun Gupta	115,640	11.97%	117,999	11.97%
	<u>963,830</u>	<u>99.78%</u>	<u>983,499</u>	<u>99.78%</u>

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
18 Reserves and surplus		
Retained earnings		
Balance as at the beginning of the year	143,871.76	128,792.16
Add: Profit for the year	9,299.51	15,013.49
Less: Premium on Shares Buy Back	(2,852.81)	-
Less: Tax on Shares Buy Back	(665.05)	-
Less: Transfer to Capital Redemption Reserve	(1.97)	-
Balance as at the end of the year	<u>149,651.44</u>	<u>143,805.65</u>
Capital Redemption Reserve		
Balance as at the beginning of the year	-	-
Add: During the year	1.97	-
Balance as at the end of the year	<u>1.97</u>	<u>-</u>
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurement of post-employment benefit obligation, net of tax	(2.96)	66.11
Capital Reserve		
At the beginning of the year	80.10	80.10
Add: Addition during the year	-	-
Balance as at the end of the year	<u>80.10</u>	<u>80.10</u>
	<u>149,730.55</u>	<u>143,951.86</u>
19 Lease Liability		
Non Current		
Lease Liabilities	165.89	172.87
	<u>165.89</u>	<u>172.87</u>
Current		
Lease Liabilities	211.12	191.63
	<u>211.12</u>	<u>191.63</u>
20 Other non-current liabilities		
Deferred government grants	1.33	1.75
	<u>1.33</u>	<u>1.75</u>
21 Provisions		
Non-current		
Provisions for employee benefits		
- Gratuity	638.31	574.86
- Leave Encashment	327.63	263.19
Provision for Installation & Service Charges	941.72	450.00
Total (a)	<u>1,907.66</u>	<u>1,288.05</u>
Current		
Provisions for employee benefits		
- Leave Encashment	98.98	77.81
Provision for warranty	290.93	281.59
Provision for Installation & Service Charges	434.11	292.60
Total (b)	<u>824.02</u>	<u>652.00</u>
Total (a+b)	<u>2,731.68</u>	<u>1,940.05</u>



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
22 Current liabilities - borrowings (Unsecured, considered good, unless stated otherwise)		
(i) Secured		
Overdraft*	1,336.18	1,075.98
(ii) Unsecured		
Credit card	6.84	4.39
	<u>1,343.02</u>	<u>1,080.37</u>
* Overdraft has been taken from Punjab National Bank, State Bank of India, HDFC Bank Limited & ICICI Bank Limited which is secured against fixed deposits.		
23 Current liabilities - Trade payables		
Trade payables		
-Due to micro, small and medium enterprises	1,920.54	1,891.62
-Due to others*	4,947.62	3,479.16
Book Overdraft (net)*	920.70	-
	<u>7,788.86</u>	<u>5,370.78</u>
* 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 54		
24 Other financial liabilities		
Current		
Employee related payables	1,677.07	1,219.08
Security deposits	773.84	745.58
Trade payable for capital goods	247.46	411.70
Other payables	1,283.32	696.70
	<u>3,981.69</u>	<u>3,073.06</u>
25 Other current liabilities		
Income received in advance	762.88	604.67
Advances from customers	546.63	491.94
Statutory liabilities	768.92	1,238.79
	<u>2,078.43</u>	<u>2,335.40</u>
26 Current-tax liabilities		
Provision for Income-tax	3,945.34	5,221.87
	<u>3,945.34</u>	<u>5,221.87</u>



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	For the year ended 31st March 2023		For the year ended 31st March 2022	
27 Revenue from operations				
Sale of products				
Sales of manufactured goods				
- Domestic	92,604.46		88,625.56	
- Export	<u>3,214.84</u>	95,819.30	<u>3,389.89</u>	92,015.45
Sales of traded goods				
- Domestic	10,748.89		11,014.80	
- Export	<u>160.59</u>	10,909.48	<u>131.79</u>	11,146.59
		<u>106,728.78</u>		<u>103,162.04</u>
Sale of Services				
Maintenance charges		1,557.34		1,424.77
		<u>1,557.34</u>		<u>1,424.77</u>
Other operating revenue				
Scrap sales		87.11		73.50
Rejected Goods sold to Vendor		7.48		5.58
Export incentives		58.64		70.67
		<u>153.23</u>		<u>149.75</u>
		<u>108,439.35</u>		<u>104,736.56</u>
28 Other income				
Income from current investments				
Dividend Income		93.39		33.75
Profit/(loss) from investments, net				
Short Term Capital Gain	61.71		0.59	
Long Term Capital Gain	1,174.70		675.94	
Unrealised Gain (Loss)	<u>(1,047.73)</u>	188.68	<u>647.28</u>	1,323.81
Profit on sale of Property Plant and Equipments, net		-		13.85
Interest Income		1,853.72		1,806.87
Rent from Property		31.63		27.50
Amortisation of Capital Investment Subsidy		0.41		0.55
Other Income		63.27		45.17
Net gain on foreign currency transactions and translation		108.63		146.22
Gain on Lease Liability Termination		1.62		-
Miscellaneous		133.74		82.74
Provision no longer required written back		-		350.00
		<u>2,475.09</u>		<u>3,830.45</u>

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

	For the year ended 31st March 2023	For the year ended 31st March 2022
29 Cost of material consumed		
Inventory as at the beginning of the year		
Raw Material	13,973.83	11,689.92
Packing Material	237.65	268.99
	<u>14,211.48</u>	<u>11,958.91</u>
Add: Purchases		
Raw Material - Domestic	23,663.80	20,980.57
Raw Material - Imported	14,583.77	13,637.98
Packing Material	1,942.77	1,657.73
	<u>40,190.34</u>	<u>36,276.28</u>
Less: Inventory as at the end of the year		
Raw Material	17,498.33	13,973.83
Packing Material	334.47	237.65
	<u>17,832.80</u>	<u>14,211.48</u>
	<u><u>36,569.02</u></u>	<u><u>34,023.72</u></u>
30 Purchase of stock-in-trade		
- Domestic	5,166.85	4,473.37
- Import	4,215.97	4,831.19
	<u>9,382.82</u>	<u>9,304.56</u>
31 Increase in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories as at the beginning of the year:		
Finished Goods	8,684.60	9,508.11
Stock in Trade	4,086.23	2,539.28
	<u>12,770.83</u>	<u>12,047.39</u>
Inventories as at the end of the year:		
Finished Goods	12,975.65	8,684.60
Stock in Trade	3,757.22	4,086.23
	<u>16,732.87</u>	<u>12,770.83</u>
Increase in inventories	<u><u>(3,962.04)</u></u>	<u><u>(723.44)</u></u>
32 Employee benefits expense		
Salaries and wages	13,875.11	12,471.41
Contribution to provident and other funds	758.67	718.45
Bonus and ex-gratia	979.93	998.11
Directors remuneration	1,490.00	1,140.00
Gratuity	212.48	296.84
Incentives	171.95	132.54
Leave encashment	128.16	(16.53)
Recruitment and training	43.27	27.07
Staff welfare	199.89	151.22
Employees Health and life Insurance	157.89	112.88
	<u>18,017.35</u>	<u>16,031.99</u>



Kont RO Systomo Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees lacs unless otherwise stated)

	For the year ended 31st March 2023		For the year ended 31st March 2022	
33 Finance costs				
Interest expense on:				
borrowings		63.94		68.76
others		179.35		120.72
Lease Liability		26.44		27.10
		<u>269.73</u>		<u>216.58</u>
34 Depreciation and amortisation expense				
Depreciation of Property Plant and Equipments (refer note 6)		3,513.60		2,576.95
Amortisation of intangible assets (refer note 6)		49.15		34.00
Depreciation on Right to use assets (refer note 6)		566.55		509.08
		<u>4,129.30</u>		<u>3,120.03</u>
35 Other expenses				
Manufacturing Expenses				
Research & development expenses	214.65		51.87	
Power and Fuel expenses	155.13		124.34	
Testing expenses	65.95		52.93	
Royalty on IPR's	1,237.45		792.99	
Repair & maintenance expenses	12.43	1,685.61	14.94	1,037.07
Administration expenses				
Insurance expenses	98.18		89.74	
Bank Charges	43.12		46.72	
Rent, rates & taxes	400.64		254.98	
Repair & maintenance			-	
- Building	50.16		-	
- Computer	35.35		14.43	
- Vehicles	34.01		30.37	
- Others	789.81		610.47	
Legal & professional expenses	1,931.62		1,419.26	
SIM card rental charges	70.55		68.47	
Directors Sitting Fee	4.00		2.00	
Conveyance Expenses	21.33		11.30	
Books & periodical expenses	0.80		0.38	
Electricity & water expenses	287.11		245.85	
Generator running expenses	22.93		25.33	
Membership & subscription	22.36		22.72	
Postages & Telegram	10.37		3.44	
Provision for doubtful advances	680.66		-	
Printing & Stationary	85.46		64.76	
Telephone & Communication expenses	117.15		96.42	
Travelling Charges	98.96		62.80	
Loss on sale of Properties	141.96		-	
Watch & ward expenses	250.72		211.66	
CSR Expenditure	1,141.48		402.00	
Donation	56.01	6,394.74	55.52	3,738.61
Selling expenses				
Advertisement and business promotion	16,496.92		13,514.66	
Commission (C&F and Sales)	2,129.98		1,871.21	
Freight	2,428.34		2,006.72	
Promotional material	429.23		269.91	
Exhibition expenses	2.95		-	
Installation expenses	2,195.45		1,809.51	
Warranty expenses	806.67		542.38	
Customer care support service charges	584.73		445.71	
Claim & Settlements	17.12		(29.09)	
Travelling expenses	1,076.00	26,167.39	860.26	21,291.27
		<u>34,247.74</u>		<u>26,066.95</u>



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

36 Income-tax expense

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current tax:		
Current tax on profits for the year	3,945.34	5,221.87
Current tax expense /(benefits) pertaining to prior years	-	13.60
	<u>3,945.34</u>	<u>5,235.47</u>
Deferred tax		
In respect of current year origination and reversal of temporary differences	(984.33)	277.66
	<u>(984.33)</u>	<u>277.66</u>
Deferred tax (benefit)/expense		
	<u>(984.33)</u>	<u>277.66</u>
Total tax expense	<u>2,961.01</u>	<u>5,513.13</u>

b) Income-tax on other comprehensive income

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Remeasurement of defined benefit obligations	(1.00)	22.24
Total tax expense/(credit)	<u>(1.00)</u>	<u>22.24</u>

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit before income-tax expense	12,260.52	20,526.62
Tax at the Indian tax rate of 25.168%	3,085.73	5,166.14
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Effect due to change in accounting policy of Inventory	-	-
Effect of non deductible expenses	763.43	310.19
Effect of disallowances		-
Income exempt from tax	269.28	(168.10)
Deductions allowed under Income-tax Act, 1961	34.64	88.31
Current tax expense/(benefits) of earlier years	-	13.60
Effect of change in rate of tax	(117.06)	(92.84)
Others	(1,075.01)	195.83
Income-tax expense	<u>2,961.01</u>	<u>5,513.13</u>



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Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

37 Earnings per share

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net profit attributable to equity shareholders for basic earnings/diluted earnings per share	9,299.51	15,013.49
Weighted average number of equity shares outstanding during the year for basic earnings per share and diluted earnings per share	975,843	885,700
Basic and diluted earnings per share in rupees (face value per equity share Rs. 10 each)	952.97	1,523.13

30 Employees Benefit

	As at 31st March 2023	As at 31st March 2022
Gratuity	638.31	574.86
Compensated absences	426.61	341.00

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 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Change in present value of obligation				
Present value of obligation as at the beginning of the year	1,299.86	1,182.53	341.00	393.14
Current service cost	225.02	215.82	141.61	109.60
Interest cost	77.94	63.81	20.45	21.21
Benefits paid	(125.84)	(55.92)	(42.54)	(35.62)
Actuarial loss/(gain) on obligation	(5.92)	(106.37)	(33.89)	(147.34)
Present value of obligation as at the end of the year	1,471.06	1,299.86	426.61	341.00
Change in fair value of plan assets				
Plan assets at the beginning of the year	725.00	552.15	-	-
Expected return on plan assets	43.47	29.80	-	-
Contribution by the Group	200.00	217.00	-	-
Benefits paid	(125.84)	(55.92)	-	-
Actuarial (loss) on plan assets	(9.88)	(18.02)	-	-
Plan assets at the end of the year	832.75	725.00	-	-
Liability recognized in the financial statement				
Present value of obligation as at the end of the year	1,471.06	1,299.86	426.61	341.00
Fair Value of Plan Assets	832.75	725.00	-	-
Net liability	638.31	574.86	426.61	341.00
Expense recognized in the Statement of Profit and Loss				
Current service cost	225.02	215.82	141.61	109.60
Net Interest cost	34.47	34.02	20.45	21.21
Actuarial loss/(gain)	-	-	(33.89)	(147.34)
	259.48	249.83	128.16	(16.53)
Expense recognised in the Other Comprehensive Income				
Actuarial loss on liabilities	(5.92)	(106.37)	-	-
Actuarial loss on assets	9.88	18.02	-	-
	3.96	(88.35)	-	-
Expense recognised in the total comprehensive income	263.44	161.48	128.16	(16.53)
Breakup of actuarial gain/loss				
Actuarial (gain)/loss arising from change in financial assumption	(21.90)	(36.47)	-	0.62
Actuarial (gain) arising from change in demographic assumption	-	4.88	(5.97)	(9.04)
Actuarial loss arising from experience adjustment	15.98	(74.78)	(27.92)	(138.92)
Actuarial loss on assets	9.88	18.02	-	-
	3.96	(88.35)	(33.89)	(147.34)

Actuarial assumptions used

Particulars	Gratuity Fund (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Discount rate	7.30%	6.00%	7.30%	6.00%
Expected future salary increase	9.00%	8.00%	9.00%	8.00%
Expected rate of return on plan assets	7.01%	7.60%	NA	NA



38 Employees Benefit (contd')
Demographic assumptions used

Particulars	Gratuity Fund (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
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%	28.77%	28.77%	28.77%
31-44 years	24.28%	24.28%	24.28%	24.28%
above 44 years	16.00%	16.00%	16.00%	16.00%

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 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Discount Rate (+/- 1%)	Increase	(62.10)	(58.09)	(17.72)	(14.41)
	Decrease	67.66	63.44	19.28	15.71
Future Salary increase (+/- 1%)	Increase	64.58	60.89	18.79	15.26
	Decrease	(60.87)	(57.06)	(17.61)	(14.28)
Withdrawal Assumption (+ / - 5%)	Increase	(66.71)	(76.04)	(9.24)	(8.89)
	Decrease	122.47	139.58	22.80	22.56
Mortality Assumption (+ / - 10%)	Increase	(0.09)	(0.11)	(0.04)	(0.04)
	Decrease	0.09	0.11	0.04	0.04

Defined contribution plans

The Group makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Group 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. 7,58,60,955 (previous year Rs. 7,18,45,169) as expense towards contributions to these plans and included in "Employee benefits expense" in Note 32.

39 Provision Movement

39.1 Provision for Warranty

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

Particulars	Balance as at 1st April 2022	Provision during the year	Utilized during the year	Reversal during the year	Balance as at 31st March 2023
Provision for warranty	281.59	806.67	797.33	-	290.93

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.

39.2 Provision for Installations and Service Charges

The movement in the provision for Installations and Service Charges during the year is as under:

Particulars	Balance as at 1st April 2022	Provision during the year	Utilized during the year	Reversal during the year	Balance as at 31st March 2023
Installations and Service Charges	742.60	2,195.45	1,562.22	-	1,375.83

Closing Installation and Services Charges expense is calculated based on historical data of replacement cost and is provided in the year of sale. Since the Group provides Installation of machine within four months from sale and Services Charges for four years only, it is expected that the most of expenses against the provision will be incurred within four years only.

- 40 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th 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 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006	1,946.85	2,035.43
Principal	1,946.85	2,035.43
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. 26.31 Lacs /- (Previous year Rs. 143.81 Lacs/-).



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

41 Contingent Liabilities and capital commitment:

Contingent Liabilities

Claims against the Group not acknowledged as debts:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
a. Ongoing proceedings conducted by Directorate General of GST Intelligence ('DGGI') (Refer Note 56)	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
c. Against the Order of Assistant Commissioner, UKGST - Haridwar U/S 129(3) dated of IGST/CGST/SGST Act, 2017 arising out of seizure of goods dated 28.01.2023 vehicle No.HR-38AB-6880, appeal filed before the Joint Commissioner (Appeal) - 1, Dehradun	11.46	-
d. Against the Order of DCIT, Central Circle - 19, New Delhi for the AY 2021-22, Appeal filed before the CIT (A)	20.49	-
e. Against the Order of DCIT, Central Circle - 19, New Delhi for the AY 2022-23, Appeal filed before the CIT (A)	42.63	-

As per Assessment order passed under Section 143(3) of Income Tax Act, 1961 for Assessment Year 21-22, an additional tax demand of Rs. 219.48 Lacs have been raised on Holding Company. However Holding Company has filed rectification application under Section 154 of Income-Tax Act, 1961 post acceptance of which, disputed additional tax demand on Company would be Rs. 42.63 Lacs against which Appeal has already been filed by Company with Commissioner of Income-Tax (Appeals).

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 Consolidated financial statements, aggregate to Rs.6,811.94 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 2023	For the year ended 31st March 2022
Sale of products		
Sales of manufactured goods	95,819.30	92,015.45
Sales of traded goods	10,909.48	11,146.59
	106,728.78	103,162.04
Sale of Services		
Maintenance charges	1,557.34	1,424.77
Total	108,286.12	104,586.81

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

Description	For the year ended 31st March 2023	For the year ended 31st March 2022
Contract price	110,508.44	105,262.48
Less: Rebates and discounts	2,222.32	675.67
Total	108,286.12	104,586.81

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 2022	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 2023
Lease liabilities	364.50	243.88	26.44	(32.90)	(224.90)	377.01
Borrowings	1,080.37	-	-	-	262.64	1,343.02

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KENT RO SYSTEMS LIMITED

Notes to the Consolidated financial statements for the year ended 31 March 2023
(All amounts in Rupees Lacs unless otherwise stated)

44 Leases

The Group 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 Group and not by the respective lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Group re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. The Group's leases mature between 2022 and 2025. When measuring lease liability, the Group 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, 7.30% for lease executed in financial year 2021-22 and 7.88% for lease executed in financial year 2022-23.

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

Particulars	As at 31st March 2023	As at 31st March 2022
Current	211.12	191.63
Non-current	165.89	172.87
Total	377.01	364.50

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

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation expense of right of use asset	566.55	509.08
Interest expense on lease liabilities	26.44	27.10
Rent expense (relating to payments not included in measurement of lease liability on account of lease being short term lease/ Variable lease payments)	41.60	38.93
Total	634.59	575.11

iii) Total cash outflow for the leases for the year ended 31st March 2023 was Rs. 224.90 Lacs (previous year Rs. 214.13 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	38	0 to 5	2.51
Lease hold land	42	50 to 90	76.08

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

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	26,639.85	24,740.75
Add: Additions on account of new leases entered during the year	3,472.66	2,804.23
Less: Depreciation charged on the right-of-use assets	566.55	509.08
Less: Disposals/Reclass during the year	31.28	396.05
Balance at the end of the year	29,514.68	26,639.85

vi) Lease payments not recognised as a liability

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses relating to short term leases (included in other expenses)	38.13	38.20
Expenses relating to variable lease payments not included in lease payments	3.47	0.73
Total	41.60	38.93

vii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at March 31, 2023	As at 31st March 2022
Less than one year	219.31	198.22
One to five years	194.17	196.39
More than five years	-	-
Total	413.48	394.61



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(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 Dicumilind Exim Private Limited

Entities 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
M/s Kent Foundation (Trust)

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 2023	For the year ended 31st March 2022
Maresh Gupta		
Remuneration paid	1,020.00	1,020.00
Perquisites paid	0.40	0.40
Rent Paid	21.00	16.50
License Fee for the use of Intellectual property rights	0.01	792.99
Shares Buy Back	1,461.13	-
Varun Gupta		
Remuneration paid	470.00	120.00
Perquisites paid	0.40	0.40
Rent Free Furnished Accommodation	55.30	20.30
Electricity	2.69	3.08
Shares Buy Back	341.75	-
Sunita Gupta		
Shares Buy Back	1,045.53	-
Ridhima Gupta		
Remuneration paid	60.00	60.00
Perquisites paid	0.40	0.40
Shares Buy Back	0.29	-
Surbhi Gupta / M/s Rasika Research & Design		
Professional & Consultancy Charges	36.00	36.00
Shares Buy Back	0.14	-
M/s S.S. Appliances Pvt. Ltd		
Rent paid (Excluding Taxes)	38.10	38.10
Purchase of goods	1.00	0.72
Shares Buy Back	5.94	-
M/s Imarti Media Private Limited		
Digital Advertising	4,010.82	4,222.07
Reimbursement of Expenses	-	2.58
M/s Kent Foundation		
Donation in relation to CSR	916.00	227.00
M/s Kent Appliances		
Sale / (Purchase) of goods	-	(5.36)

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

45 Related party disclosures (Contd')

c) Outstanding balance

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Maresh Gupta		
Remuneration Payable	48.90	48.90
License Fee Payable	116.12	96.30
Varun Gupta		
Remuneration Payable	24.77	5.90
Ridhima Gupta		
Salary Payable	3.45	3.45
M/s Rasika Research & Design		
Payable	-	3.24
M/S S.S.Appliances Private Limited		
Payable	0.41	-
M/s Kent Appliances		
Receivable	-	26.53
M/s Imarti Media Private Limited		
Payable	275.42	245.00

46 Payment to Auditors'

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Statutory audit fees and tax audit fees*	16.68	17.10
Other services & reimbursement	5.78	22.15
Total	22.47	39.25

* 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 2023		For the year ended 31st March 2022	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Amount payable to vendors	USD	9.93	831.52	15.48	1,173.48
Export receivables	USD	6.07	497.04	8.84	670.06

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

Foreign Currency	31st March 2023	31st March 2022
<i>USD sensitivity</i>		
USD increases by 1% when compared with INR	(3.24)	(5.03)
USD decreases by 1% when compared with INR	3.24	5.03

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 purifiers has been considered as a single operating segment per Ind AS 108 'Operating Segment' and accordingly disclosures have been limited to single operating segment.

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 Education and 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 towards Education of poor children and access to healthcare and promotion of arts and cultural programme, details of which are mentioned in the schedule below:

	2022-23	2021-22
A. Gross amount required to be spent by the company during the year	375.71	380.82
B. Amount of Expenditure incurred and nature of CSR activities during the year	1,141.48	402.00
(i) Related parties transactions-		
- Kent Foundation - Payment to YEIDA for Land for Senior Secondary School for Poor Children (Construction & acquisition of Assets)	916.00	227.00
(ii) Others-		
- Ved Vignan Maha Vidhyapeeth, Bangalore	200.00	150.00
- IIT, Kanpur	-	20.00
- M/s Satya Foundation	-	5.00
- M/s Sri Sri Ravi Shankar Trust	21.00	-
- M/s Hindustan Antibiotics Limited	4.48	-
Nature of CSR Activity	Education of poor children and access to healthcare and promotion of arts and cultural programme	
Total	1,141.48	402.00
C. Shortfall / (excess) at the end of the year	(765.77)	(21.18)



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 2023 and 31st March 2022.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31st March 2022 and 31st March 2023 as follows:

	Level 1	Level 2	Level 3	Total
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
	<u>13,202.60</u>	<u>-</u>	<u>1,000.71</u>	<u>14,203.31</u>
As at 31st March 2023				
Investments in equity shares	6,196.39	-	2.71	6,199.10
Investments in Preference shares	-	-	998.00	998.00
Investments in Mutual Funds	3,930.54	-	-	3,930.54
	<u>10,126.93</u>	<u>-</u>	<u>1,000.71</u>	<u>11,127.64</u>

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 2023		31st March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Non current financial assets				
Security deposits	-	110.35	-	102.10
Investments in equity shares	2.71	-	2.71	-
Investment in Preference shares	998.00	-	998.00	-
Fixed deposits with Bank maturity of more than 12 months	-	290.31	-	5,103.87
Current financial assets				
Investments in equity shares	6,196.39	-	5,972.46	-
Investment in mutual funds	3,930.54	-	7,230.14	-
Trade receivable	-	6,065.14	-	5,722.00
Cash and cash equivalents	-	1,232.01	-	1,726.52
Bank balances other than cash and cash equivalents	-	29,145.33	-	26,884.51
Loans	-	698.36	-	1,203.10
Security deposits	-	616.87	-	222.96
Total financial assets	<u>11,127.64</u>	<u>38,158.37</u>	<u>14,203.31</u>	<u>40,965.06</u>
Non current financial liabilities				
Lease liabilities	-	165.89	-	172.87
Current financial liabilities				
Borrowings	-	1,343.02	-	1,080.37
Trade Payables	-	7,788.86	-	5,370.78
Employee related payables	-	1,677.07	-	1,219.08
Security deposits	-	773.84	-	745.58
Trade payables for capital goods	-	247.46	-	411.70
Lease liabilities	-	211.12	-	191.63
Other payables	-	1,283.32	-	696.70
Total financial liabilities	<u>-</u>	<u>13,490.58</u>	<u>-</u>	<u>9,888.71</u>

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.



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 2023

Particulars	Less than 1 year	More than 1 year	Total
Borrowings	1,343.02	-	1,343.02
Trade payables	7,788.86	-	7,788.86
Employee related payables	1,677.07	-	1,677.07
Security deposits	773.84	-	773.84
Trade payables for capital goods	247.46	-	247.46
Lease liability	211.12	165.89	377.01
Other payables	1,283.32	-	1,283.32
	<u>13,324.69</u>	<u>165.89</u>	<u>13,490.58</u>

As at 31 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	696.70	-	696.70
	<u>9,715.84</u>	<u>172.87</u>	<u>9,888.71</u>



(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 2023		As at 31 March 2022	
	Change	Change in value of investment*	Change	Change in value of investment*
Equity Instruments	5% Increase	309.96	5% Increase	298.76
	5% Decrease	(309.96)	5% Decrease	(298.76)
Preference shares	5% Increase	49.90	5% Increase	49.90
	5% Decrease	(49.90)	5% Decrease	(49.90)
Mutual Funds	5% Increase	196.53	5% Increase	361.51
	5% Decrease	(196.53)	5% Decrease	(361.51)

* 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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52 Capital work in progress (CWIP) Ageing Schedule

As at 31st March 2023

	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	4,214.70	2,157.10	137.86	0.41	6,510.07
Projects temporarily suspended	-	-	-	-	-
	<u>4,214.70</u>	<u>2,157.10</u>	<u>137.86</u>	<u>0.41</u>	<u>6,510.07</u>

As at 31st March 2022

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



53 Trade receivable ageing schedule

as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	2,689.81	2,962.94	217.37	123.89	32.88	30.25	6,065.14
(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 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-	-	-

54 Trade Payable Ageing schedule

as at 31st March 2023

Particulars	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,920.54	-	-	-	-	1,920.54
(ii) others	6,629.59	137.36	8.46	18.52	0.72	6,794.65
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	73.50	73.50

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



Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

55 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Act:

Name of entity in the group	Net assets (total assets minus total liabilities)		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/(losses)	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Holding Company Kent RO Systems Limited	100.00%	149,827	100.00%	9,300	100.00%	66	100.00%	9,366
Non controlling interests Subsidiaries Dreamland Exim Private Limited	0.00%	0.16	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Total	100.00%	149,827	100.00%	9,300	100.00%	66	100.00%	9,366

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Kent RO Systems Limited

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts in Rupees Lacs unless otherwise stated)

56 DGGI proceedings

During financial year 2020-21, officers of Directorate General of Goods and Service Tax Intelligence (DGGI) Headquarters, conducted search at certain premises of the Holding Company. These search operations led to certain queries regarding Holding Company's claim for refund of GST amount under 'Scheme of Budgetary Support' notified by Ministry of Commerce and Industries (Department of Industrial Policy and Promotion) ('DIPP') for the period from July 2017 to June 2019. Additional refunds for the period from July 2019 to December 2019 were temporarily withheld pending further examination. Subsequent to their enquiry, the Central Goods and Service Tax Commissionerate, Roorkee Division issued a demand note, seeking payment of Rs. 1,527.48 Lakhs alongwith interest @ 15% per annum for alleged excess refund claimed for the period from July 2017 to June 2019. In response to this, the Holding Company has filed a writ petition before Hon'ble Uttarakhand High Court, challenging the validity of aforesaid demand note and the demand has been stayed by Court.

In accordance with Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Holding Company has recognised the aforesaid demand of Rs. 1,527.48 Lakhs (excluding interest) as a contingent liability in the financial statements. Furthermore, the alleged excess GST Refund amount claimed for the remaining period from July 2019 to December 2019, amounting to Rs. 224.79 Lakhs, for which refunds are withheld, is also considered as contingent liability. Against aforesaid contingent liability of Rs. 1,752.27 Lakhs, Holding Company has taken following actions:

a) The Holding Company has considered the budgetary support refunds pending for the period from July 2019 to September 2019, amounting to Rs. 728.08 Lakhs, as "paid under protest"

b) Additionally, the Holding Company has separately paid Rs. 1,024.00 Lakhs under protest in favour of PAO, DPIIT A/c No. 08445015001823, in July 2021

As per Management's detailed analysis, all budgetary support refund claimed and availed by the Holding Company has been in accordance with Budgetary Support Scheme notified by the Ministry of Commerce and Industries (DIPP). Based on said analysis and further guided by its legal counsel, the Holding Company is of the view that it has robust grounds to contest the aforesaid demand. Management is confident that aforesaid ongoing litigation will not have a material adverse effect on the financial position of the Holding Company. Therefore, no provision for the potential liability has been recognised in the financial statements.

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Kent RO Systems Limited

Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

57 Income Tax proceedings

During the financial year 2021-22, the Income Tax Department conducted search in premises of Holding company. Following the search, the Income Tax Department carried out assessments for Assessment Years (AY) 2018-19 to 2022-23.

As of the date of these financial statements, the Holding Company has recognised the tax demands raised by Income Tax Department as a contingent liability in accordance with Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. However, it is important to note that for AY 2018-19 and 2019-20, the additional demand raised by the Income Tax Department has been fully adjusted against the unutilized Minimum Alternate Tax (MAT) Credit, that was surrendered by Company in AY 21-22, in view of its opting for new tax regime under Section 115BAA of Income-Tax Act, 1961. Therefore, even in the event of unfavorable outcome in the appeals filed by the Holding company for these years, the contingent liability of Holding Company would remain NIL.

The Holding Company, based on the advice of its legal counsel, believes that it is likely to succeed in its appeals for the aforesaid assessment years and the outcome of the aforesaid pending litigations will not have a material adverse effect on the financial position of the Holding Company. Therefore, no provision for the potential liability has been recognised in the financial statements.

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Kent RO Systems Limited
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts in Rupees Lacs unless otherwise stated)

- 58 During the financial year 2022-2023, the Holding company is having four manufacturing units situated at following locations:
i) Khasra No. - 93, Village - Bantakheri, Roorkee
ii) E - 6, 7 & 8, Sector - 59, Noida,
iii) A - 06, Sector - 87, Noida and
A - 07, Sector - 87, Noida. iv)
- 59 Additional regulatory information
- (i) Title deeds of immovable properties not held in name of company.
Title deeds of all the immovable properties are held in the name of the Group.
- (ii) Revaluation of property, plant and equipment
The Group has not revalued its property, plant and equipment
- (iii) Disclosure of loans and advances in the nature of loan granted to promoters, directors, Key management personnel and the related parties (as defined under Companies Act, 2013)
Not applicable since the Group has not granted any loans or advances in the nature of loans to promoters, directors, Key management personnel and the related parties (as defined under Companies Act, 2013)
- (iv) Intangible assets under development
Not applicable since Group doesn't have any intangible assets under development
- (v) 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.
- (vi) Certain disclosure requirements where Group has borrowings from banks or financial institutions on the basis of security of current assets
Not applicable since Group has not taken any borrowings from banks or financial institutions
- (vii) Wilful defaulter
Group has not been declared wilful defaulter by any bank or financial institution or any other lender
- (viii) 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.
- (ix) 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.
- (x) Compliance with number of layer of Companies
The Group has complied with the number of layer of Companies
- (xi) Compliance with approved scheme(s) of Arrangements
Not applicable since Company has not entered into any scheme of Arrangement
- (xii) Details of crypto currency or virtual currency
The Group has not traded or invested in crypto currency or virtual currency during the financial year ended 31st March 2023
- (xiii) 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 company (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 company 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.
- (xiv) 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)

As per our report of even date attached

For SNR & Company
Chartered Accountants
Firm Regn. No.01440/N

Suresh Vyas
Partner
Membership No. 082658

Place: New Delhi
Date: 20/09/2023

ICAI UDI NO. 23082658 BHBJOK8097

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

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Place: New Delhi
Date: 18/09/2023

Varun Gupta
Joint Managing Director
DIN - 00458328

Place: New Delhi
Date: 18/09/2023