

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone financial statements of **KENT RO SYSTEMS LIMITED** (the 'Company') which comprise the Standalone Balance Sheet as at 31st March 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement, the Standalone Statement of Changes in Equity for the year then ended and notes to the Standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Standalone Financial Statements').
2. In our opinion, and to the best of our information and according to explanations given to us, the aforesaid standalone 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 Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2022, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 on the standalone financial statements.

Emphasis of Matter

4. We draw attention to Note 56 of the standalone financial statements which deals with ongoing investigation by Directorate General of GST Intelligence ("DGGI") on Kent RO Systems Limited ("the Company") regarding alleged non-compliance with provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated 5th October 2017 ('Budgetary support scheme') and certain provisions of GST Act. As mentioned in the note, the Company has been submitting information required by DGGI and is also cooperating in the investigation.

As explained in the said note, the allegations pertain to excess input credit availment and excess budgetary support claim made by the Company. As per the Management's detailed analysis, all input credits availed and budgetary support claims are in line with provisions of GST Act and Budgetary Support Scheme. Further, as mentioned in the said note, with respect to allegation of excess input credit availment, Company has deposited the alleged excess amount under protest.



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

Further, contingent liability of Rs. 1,752.08 lakhs have been made by Company in the current year that may arise from the aforesaid issue of alleged excess budgetary support claim.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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's Auditor's Report', reporting of Key audit matters is mandatory for listed companies. Since Company is unlisted, hence reporting under SA 701 is not applicable to the Company.

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

7. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including the Annexures to the Board's Report but does not include the financial statements and our auditor's report thereon.
8. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
9. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
10. 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.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

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



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

12. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so
13. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the audit of standalone financial statements

14. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
15. 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

16. 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.
17. 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

18. As required by Section 197(16) of the Act, we report that the 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.
19. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
20. As required by section 143(3) of the act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards notified under the Section 133 of the Act, read with the Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164((2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



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

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company, as detailed in Note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) a) the management has represented that, to the best of it's knowledge and belief, as disclosed in note 58(v) to the accompanying standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - iv) b) the management has represented, that, to the best of it's knowledge and belief, as disclosed in note 58(v) to the accompanying standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - iv) c) nothing has come to their notice that has caused them to believe that the representations under sub-clause (iv a) and (iv b) above contain any material mis-statement; and
 - v) The company has not declared or paid any dividend during the year.

FOR SNR & COMPANY

Chartered Accountants

Firm Registration No. 014401N


[SURESH VYAS]

Partner

Membership No.082658



Date: 12.09.2022

Place: New Delhi

ICAI UDI No.: 22082658ATNCPE6509

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

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment. Further, the Company has maintained proper records showing full particulars of intangible assets.
 - (b) The company has a regular program of physical verification of its property, plant and equipments under which a portion of the property, plant and equipments has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no revaluation has been carried out by the Company with respect to its property, plant and equipment and/or intangible assets.
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2.
 - (a) In our opinion, the physical verification of inventory has been conducted at reasonable intervals during the year by the management, except for goods in transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clauses 3(ii)(b) of the Order are not applicable
3.
 - (a) The Company has provided loans to Subsidiaries/ Joint Ventures/Associates/Others during the year as per details given below:

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year				



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

Others	-	-	3.41	-
Balance outstanding as at balance sheet date in respect of above cases				
Others	-	-	1,203.10*	-

* It includes balance outstanding of loans given in earlier years.

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made any investment or provided any guarantee or given any security during the year.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and interest has been stipulated. However the repayment of interest is not regular. Further, principal amount is not yet due for repayment.

(d) There is no overdue amount in respect of loans granted to such other parties.

(e) None of the loans granted by the Company had fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

4. In our opinion, the Company has not entered into any transaction covered under Section 185 of the Act in respect of loans, guarantees and security. In our opinion, the Company has complied with the provisions of Section 186 of the Act, in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) Undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof



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

were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

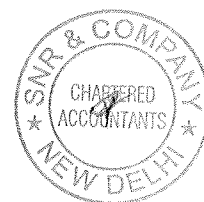
Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Value added tax	3.85	Financial Year 2010-11	Joint Commissioner, Commercial Taxes, Howrah

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
9. (a) According to the information and explanations given to us, the Company has taken overdraft facilities from certain banks, in respect of which, Company not defaulted in payment of interest thereon.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, Company has not raised any money by way of term loans. Accordingly reporting under clause 3(ix) (c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint venture.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.



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

- (b) During the year, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable.
11. (a) and (b) No material fraud by the Company or on the Company has been noticed or reported during the period covered by our audit. Accordingly, the provisions of clause 3(xi)(a) and clause 3(xi)(b) of the Order are not applicable.
- (c) No whistle blower complaints has been noticed or reported during the period covered by our audit. Accordingly, the provisions of clause 3(xi)(c) of the Order are not applicable.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
14. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
15. In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or person connected with him covered under Section 192 of the Act.
16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable.
- (b) The Company is not engaged in business of any Non-Banking Financial or Housing Finance activities. Accordingly, the provisions of Clause 3(xvi)(b) of the Order are not applicable.
- (c) and (d) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions of Clause 3(xvi)(c) and Clause 3(xvi)(d) of the Order are not applicable.
17. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
18. There has been no resignation of statutory auditor during the period covered by our audit. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable.
19. According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of



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

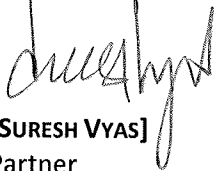
the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
21. There have been no qualification or adverse remark being made by us in the Companies (Auditor's Report) Order 2020 (CARO) of the subsidiary company included in consolidated financial statements of the Company.

FOR **SNR & COMPANY**

Chartered Accountants

Firm Registration No.: 014401N



[SURESH VYAS]

Partner

Membership No.: 082658



Place: New Delhi

Date: 12.09.2022

ICAI UDI No. : 22082658 ATNCP E6509

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

Annexure B

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 'Company') as of 31st March 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 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 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 Company's IFCoFR.



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

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 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.

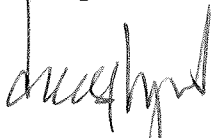
Opinion

8. In our opinion, the Company has, in all material respects, an adequate IFCoFR and such IFCoFR were operating effectively as at 31st March 2022, based on the internal financial controls over financial reporting criteria established by the 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: 12.09.2022

Place: New Delhi

ICAI UDI No.: 22082658ATNCP6509

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

	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
[A] Non current assets			
(a) Property, plant and equipment	6A	24,171.66	25,140.68
(b) Capital work in progress	6B	10,592.79	4,892.43
(c) Intangible assets	6C	223.08	70.20
(d) Intangible assets under development	6D	-	97.20
(e) Right of use assets	6E	23,853.98	21,919.39
(f) Financial assets			
(i) Investments	7	4,017.21	4,019.86
(ii) Other financial assets	8	5,205.50	1,366.57
(g) Others non-current assets	11	9,141.85	6,925.31
Total Non-current assets		77,206.07	64,431.64
[B] Current assets			
(a) Inventories	12	26,982.30	24,006.30
(b) Financial assets			
(i) Investments	7	13,202.61	5,924.64
(ii) Trade receivables	13	5,722.00	4,845.79
(iii) Cash and cash equivalents	14	1,715.24	1,267.87
(iv) Bank balances other than cash and cash equivalents	15	26,884.51	34,915.55
(v) Loans	16	1,203.10	1,159.12
(vi) Other financial assets	8	222.96	90.78
(c) Income-tax assets	9	5,346.92	5,553.01
(d) Other current assets	11	5,637.46	6,096.60
Total current assets		86,917.10	83,859.66
TOTAL ASSETS		164,123.17	148,291.30
EQUITY AND LIABILITIES			
[C] Equity			
(a) Equity share capital	17	98.57	98.57
(b) Other equity			
Reserves and surplus	18	144,013.06	128,894.46
Total equity		144,111.63	128,993.03
Liabilities			
[D] Non current liabilities			
(a) Financial liabilities			
Lease Liability	23B	172.87	195.21
(b) Other non-current liabilities	19	1.75	2.30
(c) Provisions	20	838.05	939.12
(d) Deferred tax liabilities (net)	10	624.47	314.68
Total non current liabilities		1,637.14	1,451.31
[E] Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	21	1,080.37	7.03
(ii) Lease Liability	23B	191.63	161.47
(iii) Trade payables	22		
Total outstanding dues of micro & small enterprises		1,891.62	1,650.21
Total outstanding dues other than micro & small enterprises		3,479.16	5,201.15
(iv) Other financial liabilities	23A	3,814.99	2,677.71
(b) Other current liabilities	24	2,335.36	1,808.79
(c) Provisions	20	359.40	323.57
(d) Current tax liabilities	25	5,221.87	6,017.03
Total current liabilities		18,374.40	17,846.96
TOTAL EQUITY AND LIABILITIES		164,123.17	148,291.30

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

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

As per our report of even date annexed

For **SNR & Company**
Chartered Accountants
Firm Regn. No. 011401M

Suresh Vyas
Partner * ACCOUNTANTS *

Membership No. 082656

Place: New Delhi
Date: 12.09.2022

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

Mahesh Gupta
Chairman and Managing
Director

DIN - 00458281

Varun Gupta
Whole Time Director

DIN - 00458328

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

S.N.	Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
[A]	Income			
(a)	Revenue from operations	26	104,736.56	97,910.03
(b)	Other income	27	3,830.45	4,004.41
	Total income		108,567.01	101,914.44
[B]	Expenses			
(a)	Cost of material consumed	28	34,023.72	30,969.85
(b)	Purchase of stock-in-trade	29	9,304.56	7,783.65
(c)	Increase in inventories of finished goods, work-in-progress and stock-in-trade	30	(723.44)	(1,042.68)
(d)	Employee benefit expenses	31	16,029.41	14,465.38
(e)	Finance cost	32	216.58	171.68
(f)	Depreciation and amortisation	33	3,078.57	3,346.59
(g)	Other expenses	34	26,062.10	21,228.13
	Total expenses		87,991.50	76,922.60
[C]	Profit before tax [A-B]		20,575.51	24,991.84
[D]	Tax expense	35		
	- Current tax expense		5,221.87	6,017.03
	- Tax expense earlier years		13.60	0.28
	- Mat Credit balance no longer required		-	474.53
	- Deferred tax (benefit)/expense		287.55	532.00
			5,523.02	7,023.84
[E]	Profit for the year [C-D]		15,052.49	17,968.00
[F]	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of the net defined benefit plans	88.35		2.81
	Income tax relating to items that will not be reclassified subsequently to profit or loss			
	Remeasurements of the net defined benefit plans	(22.24)	66.11	(0.71) 2.10
	Total comprehensive income for the year		15,118.60	17,970.10
[G]	Earnings per equity share	36		
	Basis and Diluted (Fair value of Rs. 10/- per share)		1,527.09	1,822.87
	Basis of preparation, measurement and significant accounting policies	2-5		

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

As per our report of even date annexed

For **SNR & Company**

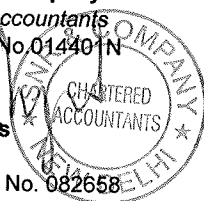
Chartered Accountants

Firm Regn. No. 014401N

Suresh Vyas

Partner

Membership No. 082658



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

Mahesh Gupta

Chairman and Managing Director
DIN - 00458281

Varun Gupta

Whole Time Director
DIN - 00458328

Place: New Delhi

Date: 12.09.2022

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

	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	20,575.51	24,991.84
Adjustment for:		
Unrealised (profit) on investments, net	(1,323.81)	(2,011.78)
Depreciation and amortisation expense	3,078.57	3,346.59
Amortisation of capital subsidy	(0.55)	(0.72)
(Profit) on sale of Property Plant and Equipments	(13.85)	(4.78)
Dividend income	(33.75)	(16.09)
Interest Income	(1,806.87)	(1,721.88)
Interest Expense	216.58	171.68
Loss/(profit) Termination of Lease Liability	-	(0.59)
Operating profit before working capital changes	20,691.83	24,754.27
<i>Adjustment for (increase)/decrease in operating assets :</i>		
Non-current financial assets	(23.66)	4.68
Other non-current assets	(2,216.54)	(38.28)
Inventories	(2,976.01)	(4,388.03)
Trade receivables	(876.21)	102.66
Financial assets - loans	(43.98)	(409.79)
Other current financial assets	(132.18)	(18.41)
Other current assets	459.13	470.23
<i>Adjustments for increase in operating liabilities:</i>		
Provisions	(65.23)	(85.05)
Trade payables	(1,480.59)	838.47
Other financial liabilities	1,137.28	126.67
Other liabilities	526.59	(396.49)
Cash flow from operations	15,000.43	20,960.93
Net income-tax paid (net of refund)	(5,736.18)	(4,592.77)
Net cash flow generated from operating activities	9,264.25	16,368.16
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property plant and equipment, intangible assets and movement in capital work-in-progress, capital advances	(9,668.39)	(4,786.24)
Proceeds from sale of Property Plant and Equipments	76.91	41.79
Realised loss on sale of equity shares, net	676.53	36.36
Investment in equity shares and mutual funds, net	(6,628.04)	(185.59)
Movement in fixed deposits, net	4,215.78	(12,316.81)
Dividend income	33.75	16.09
Interest income	1,806.87	1,721.88
Net cash flow used in investing activities	(9,486.59)	(15,472.52)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(189.48)	(139.27)
Cash outflow on lease liabilities	(214.14)	(204.63)
Movement in current borrowings, net	1,073.33	(224.26)
Net cash flow (utilised in)/generated from financing activities	669.71	(568.16)
Cash and cash equivalents at the beginning of the year	1,267.87	940.39
Net (decrease)/increase in cash and cash equivalents	447.37	327.48
Cash and cash equivalents at the end of the year (refer note 14)	1,715.24	1,267.87

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

As per our report of even date annexed

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

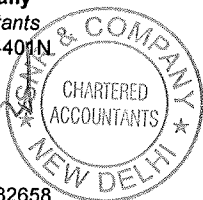
Suresh Vyas

Partner

Membership No. 082658

Place: New Delhi

Date: 12.09.2022



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

Mahesh Gupta
Chairman and Managing
Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328

Kent RO Systems Limited
CIN - U41000DL2007PLC161952

Standalone Statement of Change in Equity for the year ended 31st March 2022

(All amounts in Rupees Lacs unless otherwise stated)

A. Equity share capital

Particulars	Note	Number of shares	Amount
Balance as at 1st April 2020	17	985,700	98.57
Changes in equity share capital during the year		-	-
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


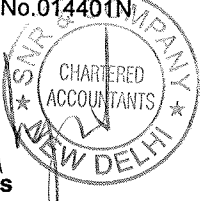
B. Other equity

Particulars	Reserves and surplus Retained earnings	Other reserves Remeasurement of employee benefits	Total
Balance as at 1st April 2020	111,051.17	(126.82)	110,924.35
Profit for the year	17,968.00	-	17,968.00
Other comprehensive income	-	2.10	2.10
Balance as at 31st March 2021	129,019.17	(124.71)	128,894.46
Profit for the year	15,052.49	-	15,052.49
Other comprehensive income	-	66.11	66.11
Balance as at 31st March 2022	144,071.66	(58.60)	144,013.06

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

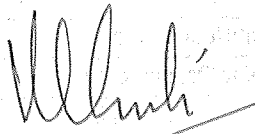
As per our report of even date annexed


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

Suresh Vyas
Partner
Membership No. 082658

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


Mahesh Gupta
Chairman and Managing Director
DIN - 00458281


Varun Gupta
Whole Time Director
DIN - 00458328

Place: New Delhi
Date: 12.09.2022

Kent RO Systems Limited

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

1 Company overview

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

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

2 General information and statement of compliance with Ind AS

These standalone 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 standalone 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 standalone financial Statements are presented in Rupees Lacs which is also the functional currency of the Company.

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.

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

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

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

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

The Company 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 Company 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 Company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

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

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

Sale of services

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

Export incentives

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

Interest and dividends

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

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 Standalone Statement of Profit and Loss as incurred.

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

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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 Standalone 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 Standalone Statement of Profit and Loss.

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

5.6 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company 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 Company 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 Company 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 fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Investments in equity instruments of subsidiaries

Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 'Separate Financial Statements'.

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 Company 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 Company 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 Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

i) Financial assets carried at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

ii) Financial assets at fair value through other comprehensive income

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

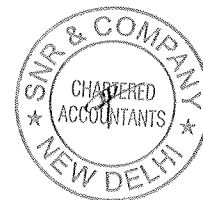
iii) Financial assets at fair value through profit and loss

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

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company 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 Company measures financial instruments at fair value at each Standalone Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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 Company 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:

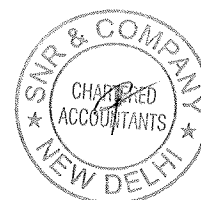
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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 Company 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 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.



5.10 Leases

Where the Company 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 43) the Company 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 Company 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 Company 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 Company, 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 Company 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

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

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.

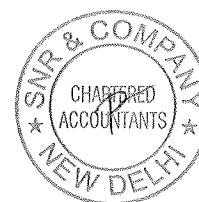
The basis of determination of cost is as follows:

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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Kent RO Systems Limited
Notes to the standalone financial statements for the year ended 31st March 2022

5.12 Employee benefits

Defined contribution plans

Provident fund benefit and Employee insurance benefits are defined contribution plans under which the Company pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively. The Company 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).

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 Company'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 or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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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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 Company 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 company provides post-contract services/warranty support to its customers. The company 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 Company's financial statements are presented in INR, which is also the Company'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 Company, 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 Company'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 Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

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 Standalone 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 Company'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 Company that have the most significant effect on the 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 Company 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 Company 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 Company 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 Company, (refer note 40). 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 Company 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 Company'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 35). 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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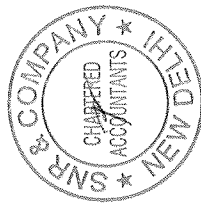


6 Property, plant and equipments, capital work-progress and other intangible assets

Particulars	Property, Plant and Equipments and Other Tangible Assets											Capital work-in progress (B)	Intangible assets under development (D) ¹	Leasehold	Right to use Assets		Total	Total (A+B+C+D+E)
	Freehold	Buildings	Plant and	Moulds	Electric	Computers and	Furniture	Office	Vehicles	Commercial	Total				Leasehold	Right to use assets		
Cost as on 1st April 2020	742.90	27,175.20	4,687.68	1,692.23	799.26	991.57	984.96	1,026.76	411.26	14.27	38,487.11	40.00	22,073.29	520.89	22,594.18	64,617.98		
Additions	-	55.00	43.15	107.26	-	247.04	41.64	19.27	230.82	-	100.56	-	-	139.52	519.52	3,573.32		
Cost as on 31st March 2021	742.90	27,230.20	4,730.83	1,799.49	799.26	1,238.61	1,026.60	1,046.03	550.17	14.27	39,125.26	-	-	529.58	22,611.12	67,896.30		
Revaluation	396.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Addition	-	109.88	395.05	271.52	-	204.20	4.85	13.71	269.75	-	396.05	-	22,073.29	607.83	22,681.12	67,896.30		
Less: Disposals/adjustments	-	-	79.04	-	-	-	64.93	-	269.75	-	1,268.96	89.70	2,609.37	194.85	2,804.23	13,928.47		
Cost as on 31st March 2022	1,138.94	27,340.08	5,019.84	2,055.03	799.26	1,328.42	966.54	1,059.81	522.97	14.27	40,228.87	136.89	24,286.62	644.43	24,931.05	77,134.24		
Accumulated depreciation as on 1st April 2020	-	5,618.16	2,056.50	768.72	596.78	608.73	641.37	814.23	167.72	2.04	11,952.25	-	-	217.29	141.28	359.57		
Charge for the year	-	1,527.02	476.33	180.50	65.18	166.48	90.77	94.20	97.08	3.67	2,176.84	-	-	265.93	183.37	449.30		
Reversal on disposals	-	-	3.39	-	-	0.38	-	-	65.77	-	69.54	-	-	-	46.08	46.08		
31st March 2021	-	7,145.19	2,530.04	887.25	601.96	774.83	732.14	908.43	199.03	5.71	13,984.58	-	-	483.22	278.51	761.73		
Charge for the year	-	1,412.82	435.56	183.80	48.21	201.24	59.97	49.11	183.88	2.47	2,570.97	-	-	286.45	187.15	473.60		
Reversal on disposals	-	-	60.67	-	-	107.68	59.17	8.22	284.40	-	500.33	-	-	-	158.25	3,075.57		
31st March 2022	-	8,558.01	2,904.83	1,071.05	650.18	1,068.20	746.65	949.32	98.51	8.19	16,055.21	-	-	769.67	307.40	1,077.07		
Net Block	742.90	20,085.01	2,113.79	886.27	188.30	262.65	294.45	137.80	351.15	8.56	25,140.68	97.20	21,590.07	329.32	21,919.39	52,068.74		
Balance as at 31st March 2021	1,138.94	18,782.07	2,114.91	983.98	140.08	280.22	219.69	101.49	424.16	0.68	24,171.66	-	23,516.95	337.02	23,853.96	58,060.96		

¹ for Capital work in progress ageing schedule refer note 51

² for Intangible assets under development ageing schedule refer note 52



Kent RO Systems Limited**Notes to the standalone financial statements for the year ended 31st March 2022***(All amounts in Rupees Lacs unless otherwise stated)***7 Investments**

Particulars	As at 31st March 2022	As at 31st March 2021
Non-current		
Investment in equity instruments (unquoted)- fully paid up - at cost		
In subsidiary company		
Dreamland Exim Private Limited		
14,999 equity shares (31 March 2021- 14,999) equity shares of Rs. 10 each	3,016.50	3,016.50
Investment carried at fair value through profit and loss		
Equity instruments (unquoted)	2.71	5.36
Investment in compulsorily convertible preference shares (Unquoted)	998.00	998.00
 Total [A]	 4,017.21	 4,019.86
Aggregate amount of unquoted investments	4,017.21	4,017.21
Aggregate amount of impairment in value of investments	-	-
Current		
Investment carried at fair value through profit and loss		
Equity instruments (quoted)	5,972.46	2,193.45
Investment in Mutual Funds (quoted)	7,230.14	3,731.19
 Total [B]	 13,202.61	 5,924.64
 Total [A+B]	 17,219.82	 9,944.50

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

	As at 31st March 2022	As at 31st March 2021		
8 Other financial assets <i>(Unsecured and considered good)</i>				
Non-current				
Fixed deposits with Bank maturity of more than 12 months*	5,103.87	1,288.60		
Security deposits	101.63	77.97		
Total non-current assets (a)	<u>5,205.50</u>	<u>1,366.57</u>		
* It includes fixed deposits amounting to Rs. 3.41 Lacs (31st March 2021 - Rs. 264.47 Lacs), lying with banks as margin money against guarantees issued by them				
Current				
Security deposits	197.08	78.15		
Other Receivables	25.88	12.63		
Total current assets (b)	<u>222.96</u>	<u>90.78</u>		
Total (a+b)	<u>5,428.46</u>	<u>1,457.35</u>		
9 Income-tax assets				
Current				
Advance tax and TDS recoverable	5,346.92	5,553.01		
Total	<u>5,346.92</u>	<u>5,553.01</u>		
10 Deferred tax asset (net)				
(b) Deferred tax asset on account of :				
Capital subsidy	0.44	0.58		
Provision for employee benefits & Other Provisions	336.05	335.01		
Provision for doubtful debts and advances	-	88.09		
Lease liability	91.74	89.77		
	<u>428.23</u>	<u>513.45</u>		
(a) Deferred tax liability on account of:				
Right of use assets	84.82	82.88		
Difference between accounting base and tax base of property, plant and equipment	567.40	507.69		
Financial assets at fair value through profit or loss	400.47	237.56		
	<u>1,052.70</u>	<u>828.13</u>		
Net deferred tax (liabilities)/assets at the end of the year	<u>(624.47)</u>	<u>(314.68)</u>		
Net deferred tax assets/(liabilities) at the beginning of the year	(314.68)	218.02		
Current year charge/(credit)	309.78	532.71		
10.1 Movement in deferred tax assets and deferred tax liabilities from 1st April 2021 to 31st March 2022				
Particulars	Opening balance as on 1st April 2021	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance as on 31st March 2022
Deferred tax asset arising on account of				
Capital subsidy	0.58	(0.14)	-	0.44
Provision for employee benefits & Other Provisions	335.01	23.27	(22.24)	336.05
Provision for doubtful debts and advances	88.09	(88.09)	-	-
Lease liability	89.77	1.97	-	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 leasehold rights)	82.88	1.94	-	84.82
Difference between accounting base and tax base of property, plant and equipment	507.69	59.70	-	567.39
Financial assets at fair value through profit or loss	237.56	162.91	-	400.47
	<u>828.13</u>	<u>224.55</u>	<u>-</u>	<u>1,052.69</u>
Net deferred tax assets/(liabilities)	<u>(314.68)</u>	<u>(287.55)</u>	<u>(22.24)</u>	<u>(624.46)</u>



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

Particulars	As at		As at
	31st March 2022	31st March 2022	31st March 2021
10.2 Movement in deferred tax assets and deferred tax liabilities from 1st April 2020 to 31st March 2021			
	Opening balance as on 1st April 2020	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income
			Closing balance as on 31st March 2021
Deferred tax asset arising on account of			
Capital subsidy	1.05	(0.48)	-
Provision for employee benefits & Other Provisions	414.49	(78.77)	(0.71)
Provision for doubtful debts and advances	122.30	(34.22)	-
Lease liability	138.56	(48.78)	-
	676.40	(162.25)	(0.71)
Deferred tax liability arising on account of			
Right of use assets (excluding leasehold rights)	132.65	(49.77)	-
Difference between accounting base and tax base of property, plant and equipment	686.18	(178.49)	-
Financial assets at fair value through profit or loss	(360.45)	598.01	-
	458.38	369.75	-
Net deferred tax assets/(liabilities)	218.02	(532.00)	(0.71)
			(314.68)
11 Other non-current assets <i>(Unsecured and considered good)</i>			
Capital advances	8,095.17		
Less: Provision for Doubtful Debts	-	8,095.17	6,081.86
			350.00
Prepaid expenses		1,046.67	
			5,731.86
Total non-current assets (a)		9,141.85	6,925.31
Other current assets			
Prepaid expenses		455.50	
Advance to vendors		790.09	439.32
Advances to employees		12.21	937.25
Balances with government authorities*		4,379.67	11.39
			4,708.64
Total current assets (b)		5,637.46	6,096.60
Total (a+b)		14,779.31	13,021.91
*Refer Note number 50			
12 Inventories <i>(At lower of cost or net realisable value)</i>			
Raw materials		13,973.83	
Packing material		237.65	11,689.92
Finished goods		8,684.60	268.99
Stock in Trade		4,086.23	9,508.11
			2,539.28
Total		26,982.30	24,006.30

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

	As at 31st March 2022	As at 31st March 2021
13 Current assets - Trade receivables		
Considered good - secured	-	-
Considered good - unsecured	-	-
Credit impaired	5,722.00	4,845.79
Less: loss allowance	-	-
Total	<u>5,722.00</u>	<u>4,845.79</u>
* For Trade receivable ageing schedule refer note 53		
14 Cash and cash equivalents		
Cash on hand	11.24	17.35
Balances with banks in current accounts	1,255.89	994.33
Balance with Payment Gateways	448.10	256.19
	<u>1,715.24</u>	<u>1,267.87</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	23,475.06	31,766.76
Earmarked balances with banks in fixed deposits*	3,409.44	3,148.79
	<u>26,884.51</u>	<u>34,915.55</u>
* Fixed deposits pledged with banks as margin money against overdrafts and guarantees issued by them		
16 Current assets - Loans <i>(Unsecured and considered good)</i>		
Loan to others	1,203.10	1,159.12
	<u>1,203.10</u>	<u>1,159.12</u>

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Kent RO Systems Limited

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

(All amounts in Rupees Lacs unless otherwise stated)

	As at 31st March 2022		As at 31st March 2021	
	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	985,700	98.57	985,700	98.57

17(a) Reconciliation of equity shares

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

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

The 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 Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the 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 2022		As at 31st March 2021	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Mr. Mahesh Gupta	504,500	51.18%	504,500	51.18%
Mrs. Sunita Gupta	361,000	36.62%	361,000	36.62%
Mr. Varun Gupta	117,999	11.97%	117,999	11.97%
	<u>983,499</u>	<u>99.78%</u>	<u>983,499</u>	<u>99.78%</u>

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

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

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

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

	As at 31st March 2022	As at 31st March 2021
18 Reserves and surplus		
Retained earnings		
Balance as at the beginning of the year	128,894.46	110,924.36
Add: Profit for the year	15,052.49	17,968.00
Balance as at the end of the year	<u>143,946.95</u>	<u>128,892.36</u>
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurement of post-employment benefit obligation, net of tax	66.11	2.10
	<u><u>144,013.06</u></u>	<u><u>128,894.46</u></u>
19 Other non-current liabilities		
Deferred government grants	1.75	2.30
	<u><u>1.75</u></u>	<u><u>2.30</u></u>
20 Provisions		
Non-current		
Provisions for employee benefits		
- Gratuity	574.86	630.38
- Leave Encashment	263.19	308.74
Total (a)	<u><u>838.05</u></u>	<u><u>939.12</u></u>
Current		
Provisions for employee benefits		
- Leave Encashment	77.81	84.40
Provision for warranty	281.59	239.17
Total (b)	<u><u>359.40</u></u>	<u><u>323.57</u></u>
Total (a+b)	<u><u>1,197.45</u></u>	<u><u>1,262.69</u></u>
21 Current liabilities - borrowings <i>(Unsecured, considered good, unless stated otherwise)</i>		
(i) Secured		
Overdraft*	1,075.98	4.50
(ii) Unsecured		
Credit card	4.39	2.54
	<u><u>1,080.37</u></u>	<u><u>7.03</u></u>
22 Current liabilities - Trade payables		
Trade payables**		
Total outstanding dues of micro & small enterprises	1,891.62	1,650.21
Total outstanding dues other than micro & small enterprises*	3,479.16	5,201.15
	<u><u>5,370.78</u></u>	<u><u>6,851.36</u></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.

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

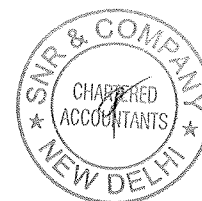
** For Trade payable ageing schedule refer Note 54



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

	As at 31st March 2022	As at 31st March 2021
23A Other financial liabilities		
Employee related payables	1,219.08	1,109.04
Security deposits	745.58	725.57
Trade payable for capital goods	411.70	183.25
Other payables	1,438.63	659.85
	<u><u>3,814.99</u></u>	<u><u>2,677.71</u></u>
23B Lease Liability		
Non Current		
Lease Liabilities	172.87	195.21
	<u><u>172.87</u></u>	<u><u>195.21</u></u>
Current		
Lease Liabilities	191.63	161.47
	<u><u>191.63</u></u>	<u><u>161.47</u></u>
24 Other current liabilities		
Income received in advance	604.67	629.34
Advances from customers	491.94	478.20
Statutory liabilities	1,238.76	701.25
	<u><u>2,335.36</u></u>	<u><u>1,808.79</u></u>
25 Current-tax liabilities		
Provision for Income-tax	5,221.87	6,017.03
	<u><u>5,221.87</u></u>	<u><u>6,017.03</u></u>

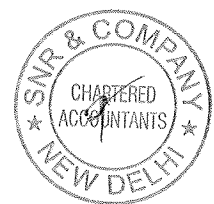
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Kent RO Systems Limited
Notes to the standalone financial statements for the year ended 31st March 2022
(All amounts in Rupees Lacs unless otherwise stated)

	For the year ended 31st March 2022		For the year ended 31st March 2021	
26 Revenue from operations				
Sale of products				
Sales of manufactured goods				
- Domestic	88,625.56		83,413.72	
- Export	3,389.89	92,015.45	3,211.89	86,625.61
Sales of traded goods				
- Domestic	11,014.80		9,465.50	
- Export	131.79	11,146.59	207.22	9,672.72
		<u>103,162.04</u>		<u>96,298.33</u>
Sale of Services				
Maintenance charges		1,424.77		1,435.72
		<u>1,424.77</u>		<u>1,435.72</u>
Other operating revenue				
Scrap sales		73.50		
Rejected Goods sold to Vendor		5.58		42.66
Export incentives		70.67		37.20
		<u>149.75</u>		<u>175.98</u>
		<u>104,736.56</u>		<u>97,910.03</u>
27 Other income				
Income from current investments				
Dividend Income		33.75		16.09
Profit/(loss) from investments, net		1,323.81		2,011.78
Profit on sale of Property Plant and Equipments, net		13.85		4.78
Interest Income		1,806.87		1,721.88
Rent from Property		27.50		6.00
Amortisation of Capital Investment Subsidy		0.55		0.72
Other Income		45.16		-
Net gain on foreign currency transactions and translation		146.22		195.72
Gain on Lease Liability Termination		-		0.59
Miscellaneous		82.74		46.85
Provision no longer required written back		350.00		-
		<u>3,830.45</u>		<u>4,004.41</u>

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

	For the year ended 31st March 2022	For the year ended 31st March 2021
28 Cost of material consumed		
Inventory as at the beginning of the year		
Raw Material	11,689.92	8,425.66
Packing Material	268.99	187.89
	<u>11,958.91</u>	<u>8,613.55</u>
Add: Purchases		
Raw Material - Domestic	20,980.57	18,525.11
Raw Material - Imported	13,637.98	14,445.71
Packing Material	1,657.73	1,344.39
	<u>36,276.28</u>	<u>34,315.20</u>
Less: Inventory as at the end 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>
	<u>34,023.72</u>	<u>30,969.85</u>
29 Purchase of stock-in-trade		
- Domestic	4,473.37	3,415.78
- Import	4,831.19	4,367.87
	<u>9,304.56</u>	<u>7,783.65</u>
30 Increase in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories as at the beginning of the year:		
Finished Goods	9,508.11	7,548.57
Stock in Trade	2,539.28	3,456.14
	<u>12,047.39</u>	<u>11,004.71</u>
Inventories as at the end of the year:		
Finished Goods	8,684.60	9,508.11
Stock in Trade	4,086.23	2,539.28
	<u>12,770.83</u>	<u>12,047.39</u>
Increase in inventories	<u>(723.44)</u>	<u>(1,042.68)</u>
31 Employee benefits expense		
Salaries and wages	12,468.82	10,945.30
Contribution to provident and other funds	718.45	649.00
Bonus and ex-gratia	998.11	1,192.10
Directors remuneration	1,140.00	1,140.00
Gratuity	296.84	228.40
Incentives	132.54	155.75
Leave encashment	(16.53)	(99.16)
Recruitment and training	27.07	36.00
Staff welfare	151.22	116.30
Employees Health and life Insurance	112.88	101.68
	<u>16,029.41</u>	<u>14,465.38</u>



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

	For the year ended 31st March 2022	For the year ended 31st March 2021
32 Finance costs		
Interest expense on:		
borrowings	68.76	55.86
others	120.72	83.41
Lease Liability	27.10	32.40
	<u>216.58</u>	<u>171.68</u>
33 Depreciation and amortisation expense		
Depreciation of Property Plant and Equipments (refer note 6A)	2,570.97	2,701.87
Amortisation of intangible assets (refer note 6C)	34.00	195.48
Depreciation on Right to use assets (refer note 6E)	473.60	449.24
	<u>3,078.57</u>	<u>3,346.59</u>
34 Other expenses		
Manufacturing Expenses		
Research & development expenses	51.87	58.97
Power and Fuel expenses	124.34	112.17
Testing expenses	52.93	121.46
Royalty on IPR's	792.99	840.26
Repair & maintenance expenses	14.94	13.94
	<u>1,037.07</u>	<u>1,146.80</u>
Administration expenses		
Insurance expenses	89.74	76.61
Bank Charges	247.30	167.93
Rent, rates & taxes	254.98	269.47
Repair & maintenance		569.47
- Building		127.49
- Computer	295.73	254.01
- Vehicles	30.37	23.75
- Others	610.47	625.71
Legal & professional expenses	1,137.42	860.53
SIM card rental charges	68.47	60.25
Directors Sitting Fee	2.00	0.40
Conveyance Expenses	11.30	9.57
Books & periodical expenses	0.38	0.56
Electricity & water expenses	241.56	220.36
Generator running expenses	25.33	5.44
Membership & subscription	22.72	26.89
Postages & Telegram	3.44	7.06
Printing & Stationary	64.76	39.14
Telephone & Communication expenses	96.42	109.45
Travelling Charges	62.80	62.93
Watch & ward expenses	211.66	194.83
CSR Expenditure	402.00	352.29
Donation	55.52	103.14
	<u>3,934.37</u>	<u>3,897.81</u>
Selling expenses		
Advertisement and business promotion	13,514.66	11,953.94
Commission (C&F and Sales)	1,670.60	996.12
Freight	2,006.72	1,444.35
Promotional material	269.91	351.12
Exhibition expenses	-	1.30
Installation expenses and service charges	1,809.51	-
Warranty expenses	542.38	382.60
Customer care support service charges	445.71	388.14
Claim & Settlements	(29.09)	37.55
Travelling expenses	860.26	628.40
	<u>21,090.66</u>	<u>16,183.52</u>
	<u>26,062.10</u>	<u>21,228.13</u>



Kent RO Systems Limited**Notes to the standalone financial statements for the year ended 31st March 2022***(All amounts in Rupees Lacs unless otherwise stated)***35 Income-tax expense****a) Income-tax expense through the statement of profit and loss**

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Current tax:		
Current tax on profits for the year	5,221.88	6,017.03
Current tax expense /(benefits) pertaining to prior years	13.60	0.28
Minimum alternate tax no longer required	-	474.53
	<u>5,235.48</u>	<u>6,491.83</u>
Deferred tax		
In respect of current year origination and reversal of temporary differences	287.55	532.00
Deferred tax (benefit)/expense	<u>287.55</u>	<u>532.00</u>
Total tax expense	<u>5,523.02</u>	<u>7,023.83</u>

b) Income-tax on other comprehensive income

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

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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Profit before income-tax expense	20,575.51	24,991.84
Tax at the Indian tax rate of 25.168%	5,178.45	6,289.95
Tax effect of amounts which are not deductible (taxable) in calculating		
Effect of non deductible expenses	310.00	73.19
Effect of disallowances		
Income exempt from tax	(168.10)	(504.04)
Deductions allowed under Income-tax Act, 1961	77.88	100.79
Current tax expense/(benefits) of earlier years	13.60	0.28
MAT Credit no longer required	-	474.53
Effect of change in rate of tax	(92.84)	(1.32)
Others	204.04	590.46
Income-tax expense	<u>5,523.02</u>	<u>7,023.83</u>



36 Earnings per share

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net profit attributable to equity shareholders for basic earnings/diluted earnings per share	15,052.49	17,968.00
Weighted average number of equity shares outstanding during the year for basic earning per share and diluted earning per share	985,700	985,700
Basic and diluted earnings per share in rupees (face value per equity share Rs. 10 each)	1,527.09	1,822.87

37 Employees Benefit

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

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

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

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

Actuarial assumptions used

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



37 Employees Benefit (contd')
Demographic assumptions used

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

Sensitivity analysis

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

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

Defined contribution plans

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

38 Provision for warranty

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

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

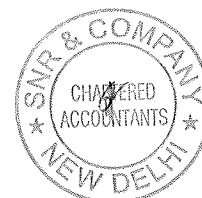
38.1 Closing warranty expense is calculated based on historical data of replacement cost and is provided in the year of sale. Since the company provides warranty for one year only, it is expected that the most of expenses against the provision will be incurred within one year only.

39 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 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

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

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



40 Contingent Liabilities and capital commitment:

Contingent Liabilities

Claims against the Company not acknowledged as debts:

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

Capital Commitment

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

41 Ind AS 115 - Revenue from contract with customers

Disaggregation of revenue

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

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

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

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

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

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

Particulars	Opening balance as at 1st April 2021	Booking of lease liability at time of its initial recognition	Interest expense accrual	Deletion due to termination of Lease	Financing cash flows	Closing balance as at 31st March 2022
Lease liabilities	356.68	194.85	27.10	-	21,413,821.48	(21,413,242.85)
Borrowings	7.03	-	-	-	(1,073.33)	1,080.37

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KENT RO SYSTEMS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

(All amounts are in Rupees Lacs, unless otherwise stated)

43 Leases

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

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

Particulars	As at 31st March 2022	As at 31st March 2021
Current	191.63	16,147,046
Non-current	172.87	19,521,352
Total	364.50	35,668,398

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation expense of right of use asset	473.60	449.24
Interest expense on lease liabilities	27.10	32.40
Rent expense (relating to payments not included in measurement of lease liability on account of lease being short term lease/ Variable lease payments)	38.93	42.72
Total	539.62	524.37

iii) Total cash outflow for the leases for the year ended 31st March 2022 was Rs. 214.14 Lacs (previous year Rs. 204.63 Lacs)**iv) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:**

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

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

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	21,919.39	22,235.62
Add: Additions on account of new leases entered during the year	2,804.23	139.52
Less: Depreciation charged on the right-of-use assets	473.60	449.24
Less: Disposals/reclass during the year	396.05	6.50
Balance at the end of the year	23,853.98	21,919.39

vi) Lease payments not recognised as a liability

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

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

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



44 Related party disclosures

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

Key management personnel

Mr. Mahesh Gupta
Mr. Varun Gupta
Mrs. Sunita Gupta

Subsidiary Company

M/s Dreamland Exim Private Limited

Entity over which key management personnel or relatives of key management personnel exercises significant influence

M/s S.S. Appliances Private Limited
M/s Kent Appliances
M/s Imarti Media Private Limited
M/s Plus Plus Lifescience LLP

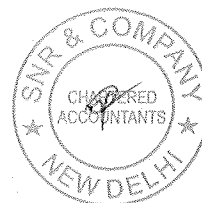
Relatives of Key management personnel

Mrs. Ridhima Gupta
Mrs. Surbhi Gupta
Mr. Sameer Agarwal

b) Transactions during the year

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

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44 Related party disclosures (Contd')

c) Outstanding balance

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

45 Payment to Auditors'

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

* included Out of Pocket expenses

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

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

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

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

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

47 Segment Reporting

The 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.

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

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

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



49 Financial Instruments

Fair value hierarchy

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

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

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

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

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

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

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

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

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

50 Financial risk management

i) Financial instruments by category

Particulars	31st March 2022		31st March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Non current financial assets				
Investment in subsidiaries	-	3,016.50	-	3,016.50
Security deposits	-	101.63	-	77.97
Investments in equity shares	2.71	-	5.36	-
Investment in Preference shares	998.00	-	998.00	-
Fixed deposits with Bank maturity of more than 12 months	-	5,103.87	-	1,288.60
Current financial assets				
Investments in equity shares	5,972.46	-	2,193.45	-
Investment in mutual funds	7,230.14	-	3,731.19	-
Trade receivable	-	5,722.00	-	4,845.79
Cash and cash equivalents	-	1,715.24	-	1,267.88
Bank balances other than cash and cash equivalents	-	26,884.51	-	34,915.55
Loans	-	1,203.10	-	1,159.13
Security deposits	-	222.96	-	90.78
Other receivable	-	-	-	-
Total financial assets	14,203.32	43,969.80	6,928.00	46,662.18
Non current financial liabilities				
Lease liabilities	-	172.87	-	195.21
Current financial liabilities				
Borrowings	-	1,080.37	-	7.04
Trade Payables	-	5,370.78	-	6,851.36
Employee related payables	-	1,219.08	-	1,109.04
Security deposits	-	745.58	-	725.57
Trade payables for capital goods	-	411.70	-	183.25
Lease liabilities	-	191.63	-	161.47
Other payables	-	1,438.63	-	659.84
Total financial liabilities	-	10,630.63	-	9,892.79

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 Company 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 Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies to manage its risks.

The Company's foreign currency exposure on accounts payable that have not been hedged by a derivative instrument or otherwise are given in note no. 46

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 Company 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 Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

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

The Trade receivables of the Company 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 Company 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 Company 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 Company 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.

Company 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 company can draw to apply consistently to entire population. For all financial assets, the Company'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 Company 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 Company 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 Company consistently generated sufficient cash flows from operations to meet its obligations as and when that fall due.

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

As at 31st March 2022

Particulars	Less than 1 year	More than 1 year	Total
Borrowings	1,080.37	-	1,080.37
Trade payables	5,370.78	-	5,370.78
Employee related payables	1,219.08	-	1,219.08
Security deposits	745.58	-	745.58
Trade payables for capital goods	411.70	-	411.70
Lease liability	191.63	172.87	364.50
Other payables	1,438.63	-	1,438.63
	10,457.76	172.87	10,630.63

As at 31 March 2021

Particulars	Less than 1 year	More than 1 year	Total
Borrowings	7.04	-	7.04
Trade payables	6,851.36	-	6,851.36
Employee related payables	1,109.04	-	1,109.04
Security deposits	725.57	-	725.57
Trade payables for capital goods	183.25	-	183.25
Lease liability	161.47	195.21	356.68
Other payables	659.84	-	659.84
	9,697.57	195.21	9,892.79



(iv) Price risk

Exposure from investment in equity instruments

The Company's exposure to price risk arises from investments in equity instruments held by the Company 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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity:

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

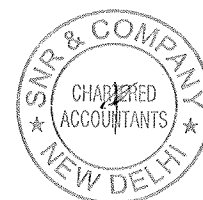
* Negative values indicate decrease in value of investment

(v) Interest risk

Assets

The Company'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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51 Capital work in progress (CWIP) Ageing Schedule

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>

As at 31st March 2021

	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	2,558.49	1,921.82	395.53	16.59	4,892.43
Projects temporarily suspended	-	-	-	-	-
	<u>2,558.49</u>	<u>1,921.82</u>	<u>395.53</u>	<u>16.59</u>	<u>4,892.43</u>

52 Intangible assets under development ageing schedule

As at 31st March 2022

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

As at 31st March 2021

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



53 Trade receivable ageing schedule

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	-	-	-	-	-	-	-

as at 31st March 2021

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	2,758.11	1,939.06	82.81	40.03	23.30	2.47	4,845.79
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

54 Trade Payable Ageing schedule

as at 31st March 2022

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

as at 31st March 2021

Particulars	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,650.21	-	-	-	-	1,650.21
(ii) others	2,581.18	2,528.91	10.66	0.83	6.05	5,127.65
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	73.50	-	73.50



55 Disclosure of ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	4.73	4.70	0.67%	Not Applicable
Debt-equity ratio	Total debt including lease liability	Shareholders fund	0.01	0.00	255.57%	During the year end the company has utilised its credit limit amounting to Rs.1,075.98 lacs however during FY 2020-21 such utilization was only Rs. 4.75 lacs
Debt service coverage ratio	Earnings before interest tax and depreciation	Borrowings repayment done during the year including interest component on same ¹	59.14	82.90	-28.66%	Due to decrease in company EBIT, there is significant decline in debt service coverage ratio
Return on equity ratio	Profit after tax	Average Shareholders fund	0.11	0.15	-26.41%	During the year there is significant decline in profit after tax, resulting in decrease in return on equity
Inventory turnover ratio	Cost of goods sold	Average inventory	1.67	1.73	-3.34%	Not Applicable
Trade receivable turnover ratio	Net annual credit sale	Average trade receivables	19.82	19.99	-0.86%	Not Applicable
Trade payable turnover ratio	Net annual credit purchase	Average trade payable	7.46	6.55	13.96%	Not Applicable
Net capital turnover ratio	Net annual sales	Average Working capital	1.56	1.69	-7.95%	Not Applicable
Net profit ratio	Profit after tax	Operational revenue	0.14	0.18	-21.69%	Not Applicable
Return on capital employed	Earnings before interest depreciation and tax	Capital employed ²	0.16	0.22	-25.71%	Due to decrease in company EBIT, there is significant decline in return on capital employed ratio
Return on investment	Return on investment	Average Investment ³	7.06%	8.83%	-20.12%	Not Applicable

¹ Interest repayment & principal repayment of lease liability

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

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



56 DGGI proceedings

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

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

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

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Kent RO Systems Limited

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

(All amounts in Rupees Lacs unless otherwise stated)

- 57 During the financial year 2021-2022, the company is having three manufacturing units situated at following locations:
i) Khasra No - 93, Village - Bantakheri, Roorkee
ii) E - 6, 7 & 8, Sector - 59, Noida and
iii) A - 06, Sector - 87, Noida.
- 58 **Other statutory 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 company.
- (ii) **Details of Benami Property held**
The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) **Relationship with Struck Off Companies**
The Company does not have any transactions with companies struck off under Section 248 of Companies Act 2013 or Section 560 of Companies Act, 1956.
- (iv) **Transaction in virtual assets**
The company has not traded or invested in crypto currency or virtual currency during the financial year
- (v) **Utilisation of borrowed funds and share premium**
(I) The company 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 company 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.
- (vi) **Undisclosed Income**
The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vii) **Wilful Defaulter**
The company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (viii) **Registration of charge or satisfaction with registrar of companies**
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- 59 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these standalone financial statements.

As per our report of even date attached

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

Suresh Vyas
Partner
Membership No. 082658



Place: New Delhi
Date: 12.09.2022

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

Mahesh Gupta
Chairman and Managing Director
DIN - 00458281

Varun Gupta
Whole Time Director
DIN - 00458328