

Independent Auditor's Report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Refron Valves Private Limited** ("the Company"), earlier known as Refron Valves Limited, which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit and cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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 Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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



Independent auditor's report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited) on the financial statements for the year ended 31st March 2020 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Independent auditor's report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited) on the financial statements for the year ended 31st March 2020 (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Independent auditor's report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited) on the financial statements for the year ended 31st March 2020 (continued)

2. As required by Section 143(3) of the Act, based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, and the Statement of Profit and Loss, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 1st August 2020
UDIN: 20049051AAAABB6317



Annexure I to Independent auditor's report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited) on the financial statements for the year ended 31 March 2020 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company.
2. The inventories were physically verified by management by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to books records.
3. The Company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 and the terms and conditions of said loans are not, prima facie, prejudicial to the interest of the company. The said party is regular in repayment of principal and payment of interest, as stipulated, and there are no overdue amounts.
4. The Company has complied with provisions of section 185 and section 186 of the Companies Act, 2013 in respect of investment made and loan given and the company has not provided any guarantees or security to the parties covered under section 185 and 186 of Companies Act, 2013.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company.
7. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, cess and any other statutory dues with the appropriate authorities and no amount in respect of such statutory dues were arrears, as at end of the year, for a period of more than six months from the date they become payable.

There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax and goods and services tax which have not been deposited on account of disputes.



Annexure I to Independent auditor's report to the members of Refron Valves Private Limited (earlier known as Refron Valves Limited) on the financial statements for the year ended 31 March 2020 (continued)

8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W



S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 1st August 2020



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Balance Sheet as at March 31, 2020

(Amount in Rs.)

	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
(a)	Share Capital	4	1,207,000	1,207,000
(b)	Reserves and Surplus	5	99,834,214	91,026,064
			101,041,214	92,233,064
2	Non-current Liabilities			
(a)	Long Term Provisions	6	738,133	556,438
			738,133	556,438
3	Current Liabilities			
(a)	Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises	7	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	7	7,746,440	10,383,240
(b)	Other Current Liabilities	8	1,659,880	1,670,955
(c)	Short Term Provisions	9	15,561	12,779
			9,421,881	12,066,974
	TOTAL		111,201,228	104,856,476
II	ASSETS			
1	Non-current Assets			
(a)	Property, Plant & Equipment	10	7,297,405	7,527,136
(b)	Non-current Investments	11	17,000,000	17,000,000
(c)	Deferred Tax Assets (Net)	12	112,000	75,000
(d)	Long Term Loans and Advances	13	60,527,598	60,680,467
(e)	Other Non Current Assets	14	7,501,356	-
			92,438,359	85,282,603
2	Current Assets			
(a)	Inventories	15	5,830,089	6,926,221
(b)	Trade Receivables	16	1,120,964	5,817,826
(c)	Cash and Bank Balances	17	10,715,848	5,831,426
(d)	Short Term Loans and Advances	18	683,097	998,400
(e)	Other Current Assets	19	412,871	-
			18,762,869	19,573,873
	TOTAL		111,201,228	104,856,476

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Patankar and Associates
Chartered Accountants
Firm's Registration No.: 107628W

S S Agrawal
Partner
Membership No.: 049051

Place: Pune
Date: 1st August 2020



For and on behalf of the Board of Directors of
Refron Valves Private Limited

Lata Rungta
Director
DIN: 00040058

Place: Mumbai
Date: 1st August 2020

Pranav Rungta
Director
DIN: 00040318

REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Statement of Profit and Loss for the year ended on March 31, 2020

(Amount in Rs.)

	Particulars	Notes	2019-2020	2018-2019
I	Revenue from Operations	20	50,781,581	64,242,217
II	Other Income	21	7,471,280	7,037,768
III	Total Revenue (I + II)		58,252,861	71,279,985
IV	Expenses			
	Cost of Raw Materials Consumed	22	20,550,483	25,854,956
	(Increase)/ Decrease in Inventory of Finished Goods and Work in Progress	23	(190,052)	(771,894)
	Employee Benefits Expenses	24	2,522,167	2,909,706
	Depreciation	25	778,600	760,822
	Other Expenses	26	17,981,754	18,518,389
V	Total Expenses		41,642,952	47,271,979
VI	Profit before tax (III-V)		16,609,909	24,008,006
VII	Tax Expenses			
	Current Tax		4,250,000	6,750,000
	Deferred Tax		(37,000)	(28,000)
	Taxation pertaining to earlier years		(48,997)	(73,530)
	Total Tax Expenses		4,164,003	6,648,470
VIII	Profit for the year (VI-VII)		12,445,906	17,359,536
IX	Basic and Diluted Earnings per share (Nominal value of Rs. 10 per equity share)	27	103.11	143.82

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Patankar and Associates
Chartered Accountants
Firm's Registration No.: 107628W

For and on behalf of the Board of Directors of
Refron Valves Private Limited

S S Agrawal
Partner
Membership No.: 049051



Place: Pune
Date: 1st August 2020

Lata Rungta
Director
DIN: 00040058

Place: Mumbai
Date: 1st August 2020

Pranay Rungta
Director
DIN: 00040318

REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Statement of Cash Flows for the year ended on March 31, 2020

(Amount in Rs.)

	2019-2020	2018-2019
A. Cash Flow From Operating Activities		
Profit before Tax	16,609,909	24,008,006
Adjustments for:		
Depreciation	778,600	760,822
Liabilities no longer required, written back	-	(92,845)
Interest Income	(6,857,007)	(6,406,683)
Operating profit before working capital changes	10,531,502	18,269,300
(Increase)/Decrease in Inventories	1,096,132	(2,348,807)
(Increase)/ Decrease in Trade Receivables	4,696,862	(5,679,766)
(Increase)/ Decrease in Short-term Loans and Advances	315,303	(886,873)
(Increase)/ Decrease in Long-term Loans and Advances	40,000	187,840
Increase/ (Decrease) in Trade Payables	(2,636,800)	(228,462)
Increase / (Decrease) in other Current Liabilities	(11,075)	(91,242)
Increase / (Decrease) in long-term Provisions	181,695	(49,872)
Increase / (Decrease) in short-term Provisions	2,782	(4,643)
Cash Generated from operations	14,216,401	9,167,475
Income-tax paid (net)	(4,088,134)	(6,482,014)
Net cash generated from operating activities	10,128,267	2,685,461
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in Capital WIP and capital advances)	(548,869)	(338,130)
Movement in Bank Fixed Deposit (having original maturity of more than 12 months)	(17,500,000)	-
Interest Received	6,442,780	6,406,683
Net cash generated from / (used in) investing activities	(11,606,089)	6,068,553
C. Cash flow from financing activities		
Dividend Paid	(3,017,500)	(3,017,500)
Tax on Dividend Paid	(620,256)	(620,256)
Net cash (used in) financing activities	(3,637,756)	(3,637,756)
D. Net Increase in Cash and Cash Equivalents (A+B+C)	(5,115,578)	5,116,258
E. Cash and Cash Equivalents at the beginning of the year	5,831,426	715,168
F. Cash and Cash Equivalents at the end of the year	715,848	5,831,426

Note:

- 1 Components of cash and cash equivalents are as per note no. 17
- 2 Statement of Cash flows is prepared and presented under 'Indirect Method'.
- 3 The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Patankar and Associates

Chartered Accountants

Firm's Registration No.: 107628W

S S Agrawal

Partner

Membership No.: 049051

Place: Pune

Date: 1st August 2020



For and on behalf of the Board of Directors of

Refron Valves Private Limited

Lata Rungta

Director

DIN: 00040058

Place: Mumbai

Date: 1st August 2020

Pranav Rungta

Director

DIN: 00040318

REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

1. Corporate Information

Refron Valves Private Limited (the "Company") is engaged in the business of manufacture and sale of Freon valves and all its activities are in India. The Company had passed a special resolution in the Extra Ordinary General Meeting held on March 20, 2019 and has been converted in to a private company and the name of the Company has been changed to Refron Valves Private Limited from Refron Valves Limited w.e.f. November 11, 2019.

2. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under section 133 of the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

Figures of the previous year have been regrouped/reclassified wherever necessary, to confirm to the classification for the current year.

3. Significant Accounting Policies

(a). Revenue Recognition

Sale of goods is recognized when the risk and rewards of ownership are passed on the customers, which is on dispatch of goods. Revenue from operations excludes Goods and Service tax. Income from Job Work is recognized when the Job Work is completed as per scope of the orders. Interest income is recognised on a time proportion basis.

(b). Property, Plant and Equipment

Freehold land is carried at cost. Other property, plant and equipment are carried at cost of acquisition or cost of construction, as reduced by accumulated depreciation.

(c). Depreciation

Depreciation on property, plant and equipment, excluding freehold land, is provided on straight line method basis at the rates determined as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

(d). Investments

Long term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in value of investments. Current investments are carried at lower of cost and fair value.

(e). Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined using weighted average method. Finished goods and work-in-progress are valued by including appropriate overheads.



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

(f). Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and Loss in the year in which the related service is rendered. Company's contributions towards provident and pension funds viz. Defined Contribution Plan paid/payable during the year are charged to the Statement of Profit and Loss. Defined Benefit Plans in the form of gratuity and leave benefits are recognized as an expense in the Statement of Profit and Loss at the present value of the amounts payable determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

(g). Taxes on income

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

(h). Impairment of assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets and impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

(i). Leases

Assets given on operating lease

Assets given under operating lease are capitalised and included in the fixed assets. Lease income arising there from is recognised as income in the Statement of Profit and Loss as per the terms of the respective lease agreements.

(j). Foreign Currency Transactions

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or Losses on settlement of the transactions are recognised in the Statement of Profit and Loss. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognised in the Statement of Profit and Loss.

(k). Provisions & contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

(l). Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

4. Share Capital

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Authorised Shares (Nos)		
250,000 (Previous Year 250,000) Equity Shares of Rs. 10 each	2,500,000	2,500,000
Issued, Subscribed and Fully Paid-up		
120,700 (Previous Year 120,700) Equity Shares of Rs.10 each fully paid	1,207,000	1,207,000
	1,207,000	1,207,000

(a) Terms and Rights attached to each class of share

The Company has only one class of equity shares having a par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding.

During the year ended March 31, 2020, the Company has paid final dividend for the year ended March 31, 2019 of Rs. 25 per equity share. The total amount paid during the year ended March 31, 2020 (including tax on dividend) was Rs. 3,637,756.

The Board of Directors at its meeting held on 1st August, 2020 have recommended a payment of final dividend of Rs. 25 per equity share for the financial year ended March 31, 2020. The same amounts to Rs. 3,017,500. The above is subject to approval at the ensuing Annual General Meeting of the Company and is not recognised as a liability.

(b) Reconciliation of shares outstanding

Equity Shares	March 31, 2020		March 31, 2019	
	Nos.	Rs.	Nos.	Rs.
Shares outstanding at the beginning of the period	120,700	1,207,000	120,700	1,207,000
Shares outstanding at the end of the period	120,700	1,207,000	120,700	1,207,000

(c) Number of shares held by each shareholder holding more than 5 % shares in the Company are as follows:

Sr No.	Name of the shareholder	March 31, 2020		March 31, 2019	
		No of shares	% of Holding	No of shares	% of Holding
1	Mrs. Lata Rungta	120,000	99.42%	120,000	99.42%

5. Reserves and Surplus

(Amount in Rs.)

	March 31, 2020	March 31, 2019
General Reserve		
Balance as per last Balance Sheet	30,000,000	25,000,000
Add: Transfer from surplus in the Statement of Profit and Loss	5,000,000	5,000,000
Balance as at the end of the year	35,000,000	30,000,000
Balance as per last Balance Sheet	61,026,064	52,304,284
Add: Profit for the year	12,445,906	17,359,536
Less: Appropriations		
Final Dividend	3,017,500	3,017,500
Tax on Dividend	620,256	620,256
General Reserve	5,000,000	5,000,000
Closing Balance	64,834,214	61,026,064
Total Reserves and Surplus	99,834,214	91,026,064



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

6. Long Term Provisions

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Provision for Employee Benefits		
- for Gratuity	499,620	390,794
- for Leave Benefits	238,513	165,644
	738,133	556,438

7. Trade Payables

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises	7,746,440	10,383,240
	7,746,440	10,383,240

There is no amount due to "Micro or Small Enterprises" under Micro, Small and Medium Enterprises Act, 2006. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. Further no interest is paid / payable in terms of section 16 of the said Act.

8. Other Current Liabilities

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Statutory dues and taxes	98,397	130,784
Retention money	956,485	915,724
Employees dues payables	465,893	336,456
Other expenses payables	108,410	245,306
Advance from customers	30,695	42,685
	1,659,880	1,670,955

9. Short Term Provisions

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Provision for Employee Benefits		
- for Gratuity	5,940	5,339
- for Leave Benefits	9,621	7,440
	15,561	12,779



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

10. Property, Plant & Equipment

(Amount in Rs.)

	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost or valuation							
Balance as at 1 April 2018	1,429,553	3,947,692	4,883,976	408,318	1,927,049	3,214,217	15,810,805
Additions	-	-	332,130	6,000	-	-	338,130
Balance as at 31 March 2019	1,429,553	3,947,692	5,216,106	414,318	1,927,049	3,214,217	16,148,935
Additions	-	-	-	125,141	423,728	-	548,869
Balance as at 31 March 2020	1,429,553	3,947,692	5,216,106	539,459	2,350,777	3,214,217	16,697,804
Depreciation							
Balance as at 1 April 2018	-	1,024,595	4,598,712	372,594	1,072,833	792,243	7,860,977
Charge for the year	-	109,671	55,535	11,276	186,584	397,756	760,822
Balance as at 31 March 2019	-	1,134,266	4,654,247	383,870	1,259,417	1,189,999	8,621,799
Charge for the year	-	109,671	65,223	29,236	176,714	397,756	778,600
Balance as at 31 March 2020	-	1,243,937	4,719,470	413,106	1,436,131	1,587,755	9,400,399
Net Block							
Balance as at 31 March 2019	1,429,553	2,813,426	561,859	30,448	667,632	2,024,218	7,527,136
Balance as at 31 March 2020	1,429,553	2,703,755	496,636	126,353	914,646	1,626,462	7,297,405

Freehold land of Rs. 1,220,460 is given on operating lease.



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

11. Non-current Investments

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Unquoted Investment in Mutual Funds		
ICICI Prudential Regular Savings Fund - Growth 989,349.608 units (Previous Year 989,349.608 units) - Face Value of Rs. 10 each	17,000,000	17,000,000
	17,000,000	17,000,000

12. Deferred Tax Assets (Net)

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Deferred Tax Liabilities		
Impact of difference between tax depreciation and depreciation charged in the books	115,000	128,000
	115,000	128,000
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act, 1961	100,000	93,000
Provision for employee benefits	127,000	110,000
	227,000	203,000
	112,000	75,000

13. Long Term Loan and Advances

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Security Deposits	109,811	109,811
Loans and advances to related party (see note no. 32)		
- Inter corporate deposits	60,000,000	60,000,000
Loan and advances to employees	-	40,000
Income Tax (net of provision)	417,787	530,656
	60,527,598	60,680,467

Note: Loans and advances include dues from a private company where Director of the Company is a member.

60,000,000 60,000,000

14. Other Non-current Assets

(Amount in Rs.)

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Deposit with original maturity with more than 12 months (see note no. 17)	7,500,000	-
Interest Accrued	1,356	-
	7,501,356	-

15. Inventories

(For basis of valuation see note no. 3(e))

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Raw Materials	3,304,391	4,549,096
Work-in-progress	579,783	611,238
Finished goods	962,339	653,968
Stores and spares	942,139	983,618
Scrap	41,437	128,301
	5,830,089	6,926,221



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

16. Trade Receivables

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Outstanding for a period more than 6 months from the date they are due for payment	-	-
Other Receivable	1,120,964	5,817,826
	1,120,964	5,817,826

Note: Trade receivables include dues from a private company where Director of the Company is a member

1,120,964 5,817,826

17. Cash and Bank Balances

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Balances with banks in current accounts	714,297	5,827,444
Cash in hand	1,551	3,982
	715,848	5,831,426
Other Bank Balances		
Deposit with original maturity with more than 12 months	17,500,000	-
Less: Amount disclosed under the head "Other non current assets " (see note no. 14)	(7,500,000)	-
	10,000,000	-
	10,715,848	5,831,426

18. Short Term Loan and Advances

(Amount in Rs.)

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Loan and advances to employees	40,000	141,000
Advance to suppliers	605,363	693,924
Prepaid expenses	7,150	144,673
Balance in GST Accounts	30,584	18,803
	683,097	998,400

19. Other Current Assets

(Amount in Rs.)

	March 31, 2020	March 31, 2019
	Rs.	Rs.
Interest accrued on Bank Fixed Deposits	412,871	-
	412,871	-



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

20. Revenue from Operations

(Amount in Rs.)

	2019-2020	2018-2019
Sale of Products		
Finished Goods - Valves for Freon Cylinders	49,693,571	63,120,294
Sale of Scrap	1,088,010	1,121,923
	50,781,581	64,242,217

21. Other Income

(Amount in Rs.)

	2019-2020	2018-2019
Interest Income		
- On bank deposits	450,819	-
- On Inter corporate deposit	6,400,000	6,400,000
- On Income Tax Refund	49,121	-
- Others	6,188	6,683
Lease Rent Received	565,152	538,240
Liabilities no longer required written back	-	92,845
	7,471,280	7,037,768

22. Cost of Raw Materials Consumed

(Amount in Rs.)

	2019-2020	2018-2019
Inventory at the beginning of the year	4,549,096	3,032,762
Add: Purchases	19,305,778	27,371,290
	23,854,874	30,404,052
Less: Inventory at the end of the year	3,304,391	4,549,096
Cost of Raw Material Consumed	20,550,483	25,854,956

Details of Materials Consumed

(Amount in Rs.)

	2019-2020	2018-2019
ENIA Rod	8,613,077	11,150,808
Valve Spindle	5,183,965	6,298,770
M.S.Nozzle	3,386,544	4,202,619
"O" Ring	2,372,279	3,058,719
Others	994,618	1,144,040
	20,550,483	25,854,956



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

23. (Increase)/ Decrease in Inventory of Finished Goods and Work in Progress (Amount in Rs.)

	2019-2020	2018-2019
Inventory at the end of year		
Work in Progress - Valves for Freon Cylinders	579,783	611,238
Finished Goods - Valves for Freon Cylinders	962,339	653,968
Scrap	41,437	128,301
	1,583,559	1,393,507
Inventory at the beginning of year		
Work in Progress - Valves for Freon Cylinders	611,238	450,533
Finished Goods - Valves for Freon Cylinders	653,968	93,994
Scrap	128,301	77,086
	1,393,507	621,613
(Increase)/ Decrease in Inventory of Finished Goods and Work in Progress	(190,052)	(771,894)

24. Employee Benefits Expenses

(Amount in Rs.)

	2019-2020	2018-2019
Salaries and Wages	2,208,967	2,590,182
Contribution to Provident Fund & Other funds	129,289	132,978
Gratuity	109,427	105,520
Staff Welfare Expenses	74,484	81,026
	2,522,167	2,909,706

25. Depreciation

(Amount in Rs.)

	2019-2020	2018-2019
Depreciation - Tangible Assets	778,600	760,822
	778,600	760,822



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

26. Other Expenses

(Amount in Rs.)

	2019-2020	2018-2019
Stores & Spares Consumed	1,716,853	1,669,173
Labour Charges	11,809,082	14,668,531
Power & Fuel	584,052	660,909
Rates and Taxes	18,606	44,817
Insurance	20,267	16,951
Legal and Professional Fees*	2,277,755	1,305,540
Repairs and Maintenance		
- Plant and Equipments	10,310	26,893
- Building	1,145,965	7,440
- Others	67,988	1,975
Miscellaneous Expenses	330,876	116,160
	17,981,754	18,518,389

***Payment to Auditors**

(Amount in Rs.)

	2019-2020	2018-2019
As Auditor:		
Statutory Audit	30,000	30,000
Tax audit	16,000	16,000
	46,000	46,000

(Above amounts are exclusive of Goods and Service Tax)



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

27. Earnings per share (EPS)

(Amount in Rs.)

Particulars	2019-2020	2018-2019
Profit for the year (Rs.) – numerator for calculating EPS	12,445,906	17,359,536
No. of equity shares outstanding at the beginning and at the end of the year	120,700	120,700
Nominal value of each share (Rs.)	10	10
Basic and Diluted Earnings per share	103.11	143.82

28. Employee Benefits

(a) Contribution to Provident Fund of Rs. 114,569 (previous year Rs. 117,264) is recognized as an expense and included in "Contribution to provident fund and other funds" in the statement of Profit and Loss.

(b) Actuarial assumptions in respect of Defined Benefit Plans

Sr. No.	Particulars	March 31, 2020		March 31, 2019	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Discount Rate	6.85%		7.40%	
2	Salary Escalation Rate	12%		12%	
3	Mortality	IALM (2012-14) Ult.		IALM (2006-08) Ult.	

29. Value of Imports calculated on CIF basis

CIF Value of imports - Nil (previous year Nil)

30. Expenditure in Foreign Currency

Expenditure in Foreign Currency - Nil (previous year Nil)

31. Earnings in Foreign Currency

Earnings in Foreign Currency - Nil (previous year Nil)



REFRON VALVES PRIVATE LIMITED
(earlier known as Refron Valves Limited)

Notes to the financial statements for the year ended March 31, 2020

32. Related Parties Disclosures

(a) Name of Related Parties and their Relationship

Sr. No.	Description of Relationship	Names of Related Parties
1	Key Management Personnel	Smt. Lata Rungta *
2	Relative of Key Management Personnel	Mr. Pranav Rungta (Director and son of Smt. Lata Rungta)
3	Enterprises over which Key Management Personnel, or her relative, has significant influence	Inox India Private Limited Gujarat Fluorochemicals Limited PTI Engineering Technologies Private Limited M/s Precision Technologies India

* Also a person having control by virtue of shareholding

(b) Details of Related Party Transactions

(Amount in Rs.)

Sr. No.	Names of Related Parties	Year ended	Sale of Goods	Lease Rent Received	Purchase of Goods / Services	Technical Fees	Interest Income
1	Inox India Private Limited	March 31, 2020 March 31, 2019	49,670,071 63,120,294	565,152 538,240	20,236 31,125	- -	6,400,000 6,400,000
2	Gujarat Fluorochemicals Limited	March 31, 2020 March 31, 2019	23,500 -	- -	7,940 5,720	- -	- -
3	M/s Precision Technologies India	March 31, 2020 March 31, 2019	- -	- -	274,000 4,560,870	- -	- -
4	PTI Engineering Technologies Private Limited	March 31, 2020 March 31, 2019	- -	- -	3,007,150 -	- -	- -
5	Pranav Rungta	March 31, 2020 March 31, 2019	- -	- -	- -	1,200,000 1,200,000	- -

(Transaction amounts as mentioned above are exclusive of duties and taxes, wherever applicable)

(c) Amount outstanding as at the year end

(Amount in Rs.)

Sr. No.	Names of Related Parties	Year ended	Amount Receivable	Amount Payable	Loan Amount Receivable
1	Inox India Private Limited	March 31, 2020 March 31, 2019	1,104,326 5,817,826	- -	60,000,000 60,000,000
2	Gujarat Fluorochemicals Limited	March 31, 2020 March 31, 2019	16,638 -	- -	- -
3	M/s Precision Technologies India	March 31, 2020 March 31, 2019	- -	- 258,656	- -
4	PTI Engineering Technologies Private Limited	March 31, 2020 March 31, 2019	- -	239,257 -	- -

(d) Disclosure required under section 186(4) of the Companies Act, 2013

The inter-corporate deposits of Rs. 60,000,000 (previous year Rs. 60,000,000) to Inox India Private Limited are unsecured and given for general business purpose.

(i) The inter-corporate deposits of Rs. 40,000,000 (previous year Rs. 40,000,000) are repayable by 31/03/2025 & carry interest @ 11% p.a.

(ii) The inter-corporate deposit of Rs. 20,000,000 (previous year 20,000,000) is repayable by 31/03/2023 & carry interest @ 10% p.a.



REFRON VALVES PRIVATE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

33. Disclosure as required by Accounting Standard (AS-19) - Lease:

Assets given on operating lease:

The Company has given freehold land on operating lease. The lease agreement is for a period of 30 years and the agreements provide for escalation of rent by 5% for every three years period corresponding to last amended rate. Rent income of Rs. 565,152 (previous year Rs. 538,240) is recognised as Lease rent received in note no. 21 to the Statement of Profit and Loss.

As per our report of even date attached
For Patankar and Associates
Chartered Accountants
Firm's Registration No.: 107628W


S S Agrawal
Partner
Membership No.: 049051



Place: Pune
Date: 1st August 2020

For and on behalf of the Board of Directors of
Refron Valves Private Limited


Lata Rungta
Director
DIN: 00040058

Place: Mumbai
Date: 1st August 2020


Pranav Rungta
Director
DIN: 00040318

