

REFRON VALVES PRIVATE LIMITED

ANNUAL REPORT

For the year ended March 31, 2021

AUDITORS

K C Mehta & Co.

Chartered Accountants

**Meghdhanush,
Racecourse,
Vadodara - 390 007
Phone: +91 265 2440400
Fax: +91 265 2440455
E-Mail: office@kcmehta.com**

INDEPENDENT AUDITORS' REPORT

To the Members of
Refron Valves Private Limited (formerly 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 (formerly known as Refron Valves Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Financial Statements and Auditors' 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 but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to 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, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 auditors' 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 auditors' 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.

Other Matter

The comparative financial information of the Company included in these financial statements, are based on the previously issued financial statements for the year ended March 31, 2020 which were audited by the predecessor auditors who, vide their report dated August 31, 2020, expressed an unmodified opinion.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) 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 March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls as required under Clause (i) of Sub-section 3 of Section 143 of the Act, the same is not applicable to the Company vide amendment to the notification G.S.R 464(E) dated 13th June 2017;
- g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, the same is not applicable to the company, it being a private company.
- h. with respect to the other matters to be included in the Auditors' 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:
- the Company does not have any pending litigations which would impact its financial position;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W



Vishal P. Doshi
Partner
Membership No.: 101533
UDIN: 21101533AAAABM4947
Place: Vadodara
Date: May 22, 2021



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Refron Valves Private Limited**) (formerly known as **Refron Valves Limited**)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (Property, Plant & Equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in every three years. In accordance with this programme, fixed assets were verified during the previous year and no material discrepancies were 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In our opinion, the inventories have been physically verified by the management at reasonable interval during the year. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii. The Company has granted unsecured loan to Companies covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been granted to companies covered in the register maintained under section 189 of the Act are not prima facie, prejudicial to the interest of the Company;
 - (b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment / receipts are regular;
 - (c) The principal and interest are not overdue in respect of loan granted to companies listed in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has complied with the provisions of Section 185 and 186 of the Act, as applicable, in respect of loans advanced to person in whom the director of the Company is interested. The Company has not given any guarantee or provided any security to any party covered under Section 185 and 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013, is not applicable to the company in view of rule 3 of the Companies (Cost Records and Audit) Rules, 2014, as amended.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they become payable.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed dues in respect of income tax, value added tax, goods and service tax, excise duty and duty of customs which have not been deposited.
- viii. The Company has not taken any loans or borrowings from any financial institution, banks or Government nor has it issued any debentures and therefore, reporting under clause (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company being a private company hence the provisions of section 197 read with Schedule V relating to Managerial Remuneration are not applicable and therefore, reporting under clause (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No.: 101533
UDIN: 21101533AAAABM4947
Place: Vadodara
Date: May 22, 2021



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

Balance Sheet as at March 31, 2021

(Amount in Rs.)

Particulars		Notes	As at March 31, 2021	As at March 31, 2020
I EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a)	Share Capital	5	1,207,000	1,207,000
(b)	Reserves and Surplus	6	114,382,472	99,834,214
			115,589,472	101,041,214
2 Non-current Liabilities				
(a)	Long Term Provisions	7	2,117,498	738,133
			2,117,498	738,133
3 Current Liabilities				
(a)	Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises	8	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	8	7,570,202	7,746,440
(b)	Other Current Liabilities	9	2,266,043	1,659,880
(c)	Short Term Provisions	10	717,481	15,561
			10,553,726	9,421,881
	TOTAL		128,260,696	111,201,228
II ASSETS				
1 Non-current Assets				
(a)	Property, Plant & Equipment	11	5,274,701	6,076,945
(b)	Non-current Investments	12	1,220,460	18,220,460
(c)	Deferred Tax Assets (Net)	13	182,000	112,000
(d)	Long Term Loans and Advances	14	15,502,289	60,527,598
(e)	Other Non Current Assets	15	-	7,501,356
			22,179,450	92,438,359
2 Current Assets				
(a)	Inventories	16	5,247,850	5,830,089
(b)	Trade Receivables	17	3,829,007	1,120,964
(c)	Cash and Bank Balances	18	92,071,311	10,715,848
(d)	Short Term Loans and Advances	19	445,461	683,097
(e)	Other Current Assets	20	4,487,617	412,871
			106,081,246	18,762,869
	TOTAL		128,260,696	111,201,228
Significant accounting policies and notes to financial statements		1 - 37		

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.: 106237W



Vishal P. Doshi
Partner
Membership No.: 101533



Place: Vadodara
Date: MAY 22, 2021

For and on behalf of the Board

 

Lata Rungta
Director
DIN: 00040058

Pranav Rungta
Director
DIN: 00040318

Place: Mumbai
Date: 15th May 2021

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

Statement of Profit and Loss for the year ended on March 31, 2021

(Amount in Rs.)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from Operations	21	57,515,740	50,781,581
II	Other Income	22	12,052,102	7,471,280
III	Total Revenue (I + II)		69,567,842	58,252,861
IV	Expenses			
	Cost of Raw Materials Consumed	23	23,611,560	20,550,483
	(Increase)/ Decrease in Inventory of Finished Goods and Work in Progress	24	498,702	(190,052)
	Employee Benefits Expenses	25	2,639,803	2,522,167
	Depreciation	26	802,244	778,600
	Other Expenses	27	19,419,228	17,981,754
V	Total Expenses		46,971,537	41,642,952
VI	Profit before tax (III-V)		22,596,305	16,609,909
VII	Tax Expenses			
	Current Tax		5,150,000	4,250,000
	Deferred Tax		(70,000)	(37,000)
	Taxation pertaining to earlier years		(49,453)	(48,997)
	Total Tax Expenses		5,030,547	4,164,003
VIII	Profit for the year (VI-VII)		17,565,758	12,445,906
IX	Basic and Diluted Earnings per share (Nominal value of Rs. 10 per equity share)	28	145.53	103.11
	Significant accounting policies and notes to financial statements	1 - 37		

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.: 106237W



Vishal P. Doshi
Partner
Membership No.: 101533



Place: Vadodara
Date: MAY 22, 2021

For and on behalf of the Board



Lata Rungta
Director
DIN: 00040058



Pranav Rungta
Director
DIN: 00040318

Place: Mumbai
Date: 15th May 2021

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

Statement of Cash Flows for the year ended on March 31, 2021

(Amount in Rs.)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow From Operating Activities		
Profit before Tax	22,596,305	16,609,909
Adjustments for:		
Depreciation	802,244	778,600
Liabilities no longer required, written back	(12,246)	-
Profit on Sale of Mutual Fund	(4,328,597)	
Interest Income	(7,146,107)	(6,906,128)
Operating profit before working capital changes	11,911,599	10,482,381
(Increase)/Decrease in Inventories	582,239	1,096,132
(Increase)/ Decrease in Trade Receivables	(2,708,043)	4,696,862
(Increase)/ Decrease in Loans and Advances	237,636	355,303
Increase/ (Decrease) in Trade Payables	(176,238)	(2,636,800)
Increase / (Decrease) in other Current Liabilities	618,409	(11,075)
Increase / (Decrease) in Provisions	1,382,538	184,477
Cash Generated from operations	11,848,140	14,167,280
Income-tax paid (net)	(4,376,491)	(4,039,013)
Net cash generated from operating activities	7,471,649	10,128,267
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in Capital	-	(548,869)
Proceeds from repayment of Inter-corporate Deposit	60,000,000	-
Inter-corporate Deposit Given	(15,000,000)	
Sale Proceeds from Mutual Funds	21,328,597	-
Movement in Bank Fixed Deposit (having original maturity of more than 12 months)	(73,000,000)	(17,500,000)
Interest Received	3,072,717	6,442,780
Net cash generated from / (used in) investing activities	(3,598,686)	(11,606,089)
C. Cash flow from financing activities		
Dividend Paid	(3,017,500)	(3,017,500)
Tax on Dividend Paid	-	(620,256)
Net cash (used in) financing activities	(3,017,500)	(3,637,756)
D. Net Increase in Cash and Cash Equivalents (A+B+C)	855,463	(5,115,578)
E. Cash and Cash Equivalents at the beginning of the year	715,848	5,831,426
F. Cash and Cash Equivalents at the end of the year	1,571,311	715,848

Note:

- Components of cash and cash equivalents are as per note no. 17
- Statement of Cash flows is prepared and presented under 'Indirect Method'.

As per our report of even date attached

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No.: 106237W


Vishal P. Doshi

Partner

Membership No.: 101533

Place: Vadodara

Date: MAY 22, 2021



For and on behalf of the Board


Lata Rungta

Director

Director

DIN: 00040058

Place: Mumbai

Date: 15th May 2021



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, 2021

1. Corporate Information

Refron Valves Private Limited (the "Company") is a private limited Company having its register office at Vadodara, Gujarat . 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

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards Specified under section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Act have been followed in preparation of these financial statements.

3. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

4. Significant Accounting Policies

(a). Revenue Recognition

(i). Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred to the buyer as per the terms of contract. Sales are net of sales returns, rate difference adjustments if any and taxes or duties collected on behalf of the government.

(ii). Other income

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest. Profit on sale of investments is recorded upon transfer of title by the Company. It is determined as the difference between the sales price and carrying amount of the investment.

(b). Property, Plant and Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. Direct costs are capitalized until the asset is ready for its intended use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Freehold Land is not depreciated. Depreciation on PPE other than Land has been provided on Straight line method over the useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.



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

Notes to the financial statements for the year ended March 31, 2021

(c). Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication 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. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(d). Investments

Investments are either classified as current or long term based on the management intention at the time of purchase. Current investments are stated at lower of cost or fair value. Long term investments are shown at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognize the decline.

(e). Inventories

The inventories are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

Raw Material :- At weighted average cost

Work in Process :- Cost represents raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion.

Finished Goods :- Cost represents raw material, labour and appropriate proportion of manufacturing expenses and overheads.

(f). Employee benefits

Post Employment benefits:

(i) Defined Contribution Plan:

The Company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and

(ii) Defined Benefit Plan:

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuations under the Projected Unit Credit method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation.

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability. These benefits include salary, wages, bonus, performance incentives etc.

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

Medical & Leave Travel Assistance benefits

Liability on account of the Company's obligation under the employee's medical reimbursement scheme and leave travel assistance is provided on actual basis.



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

Notes to the financial statements for the year ended March 31, 2021

(g). Taxes on income

Tax expense for the year comprises current tax and deferred tax.

(i) Current Tax:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred Tax:

The deferred tax is recognized on timing differences between the book profit and taxable profit for the year. It is accounted for by applying the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

(h). Leases

Assets given on operating lease

Assets leased out where a significant portion of the risks and rewards of ownership are retained by the Company are classified as operating leases. Lease rentals are recognised in the Statement of Profit and Loss.

(i). Foreign Currency Transactions

Foreign currency transactions during the year are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss/ Profit and Loss Account. Non-monetary items denominated in foreign currency, (such as advances received /given, investments, fixed assets etc.) are recorded at the exchange rate prevailing on the date of the transaction.

(j). Provisions & contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed.

(k). Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.



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

Notes to the financial statements for the year ended March 31, 2021

5. Share Capital

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Authorised Shares (Nos)		
250,000 Equity Shares of Rs. 10 each	2,500,000	2,500,000
Issued, Subscribed and Fully Paid-up		
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. For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting and shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

During the year ended March 31, 2021, the Company has paid final dividend for the year ended March 31, 2020 of Rs. 25 per equity share. The total amount paid during the year ended March 31, 2021 was Rs. 3,017,500.

The Board of Directors at its meeting held on 15th May, 2021 have recommended a payment of final dividend of Rs. 25 per equity share for the financial year ended March 31, 2021. 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, 2021		March 31, 2020	
	Nos.	Rs.	Nos.	Rs.
Shares outstanding at the beginning of the period	120,700	1,207,000	120,700	1,207,000
Add: Shares issued during the period	-	-	-	-
Less: Shares reduced during the period	-	-	-	-
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, 2021		March 31, 2020	
		No of shares	% of Holding	No of shares	% of Holding
1	Mrs. Lata Rungta	120,000	99.42%	120,000	99.42%

6. Reserves and Surplus

(Amount in Rs.)

	March 31, 2021	March 31, 2020
General Reserve		
Balance as per last Balance Sheet	35,000,000	30,000,000
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	40,000,000	35,000,000
Balance as per last Balance Sheet	64,834,214	61,026,064
Add: Profit for the year	17,565,758	12,445,906
Less: Appropriations		
Final Dividend	3,017,500	3,017,500
Tax on Dividend	-	620,256
General Reserve	5,000,000	5,000,000
Closing Balance	74,382,472	64,834,214
Total Reserves and Surplus	114,382,472	99,834,214



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

Notes to the financial statements for the year ended March 31, 2021

7. Long Term Provisions

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Provision for Employee Benefits		
- for Gratuity	606,802	499,620
- for Leave Benefits	250,471	238,513
Provision for Others		
- Gratuity Payable to Contractor Workers	1,260,225	-
	2,117,498	738,133

8. Trade Payables

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises	7,570,202	7,746,440
	7,570,202	7,746,440

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.

9. Other Current Liabilities

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Statutory dues and taxes	303,515	98,397
Retention money	1,098,978	956,485
Employees dues payables	485,929	465,893
Other expenses payables	158,500	108,410
Advance from customers	219,121	30,695
	2,266,043	1,659,880

10. Short Term Provisions

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Provision for Employee Benefits		
- for Gratuity	9,000	5,940
- for Leave Benefits	9,734	9,621
Other provisions		
Provision for Income Tax (Net of Advance Tax)	698,747	-
	717,481	15,561



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

Notes to the financial statements for the year ended March 31, 2021

11. 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 2019	209,093	3,947,692	5,216,106	414,318	1,927,049	3,214,217	14,928,475
Additions	-	-	-	125,141	423,728	-	548,869
Balance as at 31 March 2020	209,093	3,947,692	5,216,106	539,459	2,350,777	3,214,217	15,477,344
Additions	-	-	-	-	-	-	-
Balance as at 31 March 2021	209,093	3,947,692	5,216,106	539,459	2,350,777	3,214,217	15,477,344
Depreciation							
Balance as at 1 April 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
Charge for the year	-	109,971	62,560	38,225	192,642	398,846	802,244
Balance as at 31 March 2021	-	1,353,908	4,782,030	451,331	1,628,773	1,986,601	10,202,643
Net Block							
Balance as at 31 March 2020	209,093	2,703,755	496,636	126,353	914,646	1,626,462	6,076,945
Balance as at 31 March 2021	209,093	2,593,784	434,076	88,128	722,004	1,227,616	5,274,701



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

Notes to the financial statements for the year ended March 31, 2021

12. Non-current Investments

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Unquoted		
Investment in Mutual Funds		
ICICI Prudential Regular Savings Fund - Growth Nil units (PY 989,349.608 units) - Face Value of Rs. 10 each	-	17,000,000
Investment Property	1,220,460	1,220,460
	1,220,460	18,220,460

The details of aggregate amount of quoted, unquoted investments with the provision for diminution is classified as under:

Particulars	March 31, 2021	March 31, 2020
Market Value of unquoted Investments	-	21,516,177
Aggregate amount of unquoted Investments	-	17,000,000
Aggregate amount of Investment Property	1,220,460	1,220,460
Aggregate provision for diminution in value of investments	-	-

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

13. Deferred Tax Assets (Net)

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Deferred Tax Liabilities		
Impact of difference between tax depreciation and depreciation charged in the books	81,000	115,000
	81,000	115,000
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act, 1961	108,000	100,000
Provision for employee benefits	155,000	127,000
	263,000	227,000
	182,000	112,000

14. Long Term Loan and Advances

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security Deposits	109,811	109,811
Loans and advances to related party (see note no. 32)		
- Inter corporate deposits	15,000,000	60,000,000
Income Tax (net of provision)	392,478	417,787
	15,502,289	60,527,598

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

15,000,000 60,000,000

15. Other Non-current Assets

(Amount in Rs.)

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Deposit with original maturity with more than 12 months (see note no. 18)	-	7,500,000
Interest Accrued	-	1,356
	-	7,501,356



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

Notes to the financial statements for the year ended March 31, 2021

16. Inventories

(For basis of valuation see note no. 4(e))

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Raw Materials	3,347,447	3,304,391
Work-in-progress	645,432	579,783
Finished goods	124,565	962,339
Stores and spares	815,546	942,139
Scrap	314,860	41,437
	5,247,850	5,830,089

17. Trade Receivables

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Outstanding for a period more than 6 months from the date they are due for payment	-	-
Other Receivable	3,829,007	1,120,964
	3,829,007	1,120,964

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

3,829,007 1,120,964

18. Cash and Bank Balances

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Cash and cash equivalents		
Balances with banks in current accounts	1,570,114	714,297
Cash in hand	1,197	1,551
	1,571,311	715,848
Other Bank Balances		
Fixed Deposit	90,500,000	17,500,000
Less: Amount disclosed under the head "Other non current assets " (see note no. 15)	-	(7,500,000)
	90,500,000	10,000,000
	92,071,311	10,715,848

19. Short Term Loan and Advances

(Amount in Rs.)

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loan and advances to employees	-	40,000
Advance to suppliers	440,911	605,363
Prepaid expenses	4,550	7,150
Balance in GST Accounts	-	30,584
	445,461	683,097

20. Other Current Assets

(Amount in Rs.)

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Interest accrued on Bank Fixed Deposits	4,487,617	412,871
	4,487,617	412,871



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

Notes to the financial statements for the year ended March 31, 2021

21. Revenue from Operations

(Amount in Rs.)

	2020-2021	2019-2020
Sale of Products		
Finished Goods - Valves for Freon Cylinders	56,657,900	49,693,571
Sale of Scrap	857,840	1,088,010
	57,515,740	50,781,581

22. Other Income

(Amount in Rs.)

	2020-2021	2019-2020
	Rs.	Rs.
Interest Income		
- On bank deposits	5,001,452	450,819
- On Inter corporate deposit	2,138,219	6,400,000
- On Income Tax Refund	-	49,121
- Others	6,436	6,188
Lease Rent Received	565,152	565,152
Profit on Sale of Mutual Fund	4,328,597	-
Liabilities no longer required written back	12,246	-
	12,052,102	7,471,280

23. Cost of Raw Materials Consumed

(Amount in Rs.)

	2020-2021	2019-2020
Inventory at the beginning of the year	3,304,391	4,549,096
Add: Purchases	23,654,616	19,305,778
	26,959,007	23,854,874
Less: Inventory at the end of the year	3,347,447	3,304,391
Cost of Raw Material Consumed	23,611,560	20,550,483

Details of Materials Consumed

(Amount in Rs.)

	2020-2021	2019-2020
ENIA Rod	9,166,073	8,613,077
Valve Spindle	5,439,522	5,183,965
M.S.Nozzle	4,063,136	3,386,544
"O" Ring	2,460,836	2,372,279
Others	2,481,993	994,618
	23,611,560	20,550,483



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

Notes to the financial statements for the year ended March 31, 2021

24. (Increase)/ Decrease in Inventory of Finished Goods and Work in Progress

(Amount in Rs.)

	2020-2021	2019-2020
Inventory at the beginning 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 end of year		
Work in Progress - Valves for Freon Cylinders	645,432	579,783
Finished Goods - Valves for Freon Cylinders	124,565	962,339
Scrap	314,860	41,437
	1,084,857	1,583,559
(Increase)/ Decrease in Inventory of Finished Goods and Work in	498,702	(190,052)

25. Employee Benefits Expenses

(Amount in Rs.)

	2020-2021	2019-2020
Salaries and Wages	2,351,997	2,318,394
Contribution to Provident Fund & Other funds	126,971	129,289
Staff Welfare Expenses	160,835	74,484
	2,639,803	2,522,167

26. Depreciation

(Amount in Rs.)

	2020-2021	2019-2020
Depreciation - Tangible Assets	802,244	778,600
	802,244	778,600



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

Notes to the financial statements for the year ended March 31, 2021

27. Other Expenses

(Amount in Rs.)

	2020-2021	2019-2020
Stores & Spares Consumed	1,695,925	1,716,853
Labour Charges	15,207,004	11,809,082
Power & Fuel	638,293	584,052
Rates and Taxes	17,467	18,606
Insurance	29,209	20,267
Legal and Professional Fees	1,557,671	2,231,755
Payment to Auditor*	51,000	46,000
Repairs and Maintenance		
- Plant and Equipments	39,141	10,310
- Building	105,040	1,145,965
- Others	13,700	67,988
Miscellaneous Expenses	64,778	330,876
	19,419,228	17,981,754

***Payment to Auditors**

(Amount in Rs.)

	2020-2021	2019-2020
As Auditor:		
Statutory Audit	33,000	30,000
Tax audit	18,000	16,000
	51,000	46,000

(Above amounts are exclusive of Goods and Service Tax)



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

Notes to the financial statements for the year ended March 31, 2021

28. Earnings per share (EPS)

(Amount in Rs.)

Particulars	2020-2021	2019-2020
Profit for the year (Rs.) – numerator for calculating EPS	17,565,758	12,445,906
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	145.53	103.11

29. Employee Benefits

(a) Contribution to Provident Fund of **Rs. 112,463** (previous year Rs. 114,569) is recognized as an expense and included in "Contribution to provident fund and other funds" in the statement of Profit and Loss.

(b) The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2021 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial Assumptions are as under:

Sr. No.	Particulars	March 31, 2021		March 31, 2020	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Discount Rate	6.45%		6.85%	
2	Salary Escalation Rate	12%		12%	
3	Mortality	IALM (2012-14) Ult.		IALM (2012-14) Ult.	

30. 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. 565,152) is recognised as Lease rent received in note no. 22 to the Statement of Profit and Loss.

31. Contingent Liability and Commitments

Contingent Liability - Rs. Nil (previous year Rs. Nil)

Commitments - Rs. 98,000 (previous year Rs. Nil)



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

Notes to the financial statements for the year ended March 31, 2021

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 Curry Me Up 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, 2021	56,657,900	565,152	16,442	-	1,770,959
		March 31, 2020	49,670,071	565,152	20,236	-	6,400,000
2	Gujarat Fluorochemicals Limited	March 31, 2021	-	-	15,880	-	-
		March 31, 2020	23,500	-	7,940	-	-
3	M/s Precision Technologies India	March 31, 2021	-	-	-	-	-
		March 31, 2020	-	-	274,000	-	-
4	PTI Engineering Technologies Private Limited	March 31, 2021	-	-	3,853,567	-	150,548
		March 31, 2020	-	-	3,007,150	-	-
5	Curry Me Up Private Limited	March 31, 2021	-	-	-	-	216,712
		March 31, 2020	-	-	-	-	-
6	Pranav Rungta	March 31, 2021	-	-	-	1,200,000	-
		March 31, 2020	-	-	-	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, 2021	3,829,007	-	-
		March 31, 2020	1,104,326	-	60,000,000
2	Gujarat Fluorochemicals Limited	March 31, 2021	-	-	-
		March 31, 2020	16,638	-	-
3	PTI Engineering Technologies Private Limited	March 31, 2021	-	-	5,000,000
		March 31, 2020	-	239,257	-
4	Curry Me Up Private Limited	March 31, 2021	-	-	10,000,000
		March 31, 2020	-	-	-

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

The inter-corporate deposits of Rs. NIL (previous year Rs. 60,000,000) to Inox India Private Limited were unsecured and given for general business purpose & carry interest @ 10% p.a. & 11% p.a. and the same were repaid in July-20.

The inter-corporate deposits of Rs. 5,000,000 (previous year Rs. NIL) to PTI Engineering Technologies Private Limited are unsecured and given for general business purpose & carry interest @ 7% p.a.

The inter-corporate deposits of Rs. 10,000,000 (previous year Rs. NIL) to Curry Me Up Private Limited are unsecured and given for general business purpose & carry interest @ 7% p.a.



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

Notes to the financial statements for the year ended March 31, 2021

- 33.** Additional Information pursuant to Provision of Paragraph 5 of Part II of Schedule III to the Companies Act, 2013 has been furnished to the extent applicable in view of the nature of business of the Company.
- 34.** The Company is a Small and Medium sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium sized Company.
- 35.** The balances of Trade receivables/ Trade payables are subject to adjustments, if any, on reconciliation / settlement.
- 36.** The value of realization of assets other than Property, Plant and Equipment in the ordinary course of business will not be less than the value at which they are stated in the balance sheet.
- 37.** Figures of previous year are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No.: 106237W



Vishal P. Doshi

Partner

Membership No.: 101533



Place: Vadodara

Date: MAY 22, 2021

For and on behalf of the Board



Lata Rungta

Director

DIN: 00040058



Pranav Rungta

Director

DIN: 00040318

Place: Mumbai

Date: 15th May 2021