

## 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, 2022, 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, 2022, 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;



- f. with respect to the adequacy of the internal financial controls 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 13<sup>th</sup> 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:
- 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 as at March 31, 2022;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) the management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. As stated in Note 5 to the financial statements
- (a) The dividend declared and paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013.
- (b) The Board of Directors of the Company has proposed final dividend for the current financial year ended March 31, 2022, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

PJ Amin

Pritesh Amin  
Partner  
Membership No.: 105926  
UDIN: 22105926AJKLCP9341  
Place: Vadodara  
Date: May 23, 2022





## **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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company does not have any Intangible Asset and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (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 records of the Company, the title/ lease deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Inventories have been physically verified by the management during the year and in our opinion, the coverage and procedure for such verification is reasonable. As explained to us, there were no discrepancies of 10% or more in the aggregate for each class of inventory on physical verification of inventory as compared to the book records.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and therefore, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, except loan were advanced to related parties in earlier years, details regarding the same are mentioned below:
- (a) Balance amount of loan outstanding at the year is as under:

Name of Party	Opening Balance	Closing balance	₹ in Lakh
			Maximum Balance
<b>Related Parties</b>			
- Curry Me Up Private Limited	100.00	100.00	100.00
- PTI Engineering Technologies Private Limited	50.00	50.00	50.00

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions on which loan has been granted are not prejudicial to the Company's interest.



- (c) The Company had granted loans to above companies on repayable on demand basis. We are informed that the Company has not demanded repayment of such loan during the year, and thus, and there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (d) The loans granted by the Company are repayable on demand and therefore, the question of overdue amount does not arise.
- (e) According to the information and explanations given to us, no such cases are found where the loan or advance in the nature of loan granted have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to the information and explanations given to us, following cases were found where the Company has granted loans which are repayable on demand:

Name of the parties	Aggregate amount of loans repayable on demand (₹ in Lakh)	Percentage of the loans to the total loans
Curry Me Up Private Limited	100.00	66.67%
PTI Engineering Technologies Private Limited	50.00	33.33%

- 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 made investments, 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 3(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) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, income-tax, duty of customs, cess, goods and service tax and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, goods and service tax, cess and other statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of value added tax, income tax, goods and service tax and duty of customs which have not been deposited.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the assessments under the Income Tax Act, 1961 (43 of 1961).



- ix. (a) The Company has not borrowed money from any lender and therefore, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any investment in subsidiaries, associates or joint ventures and therefore reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company has not raised any loans during the year and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) According to information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.





- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause 3(xv) of the Order are not applicable to the Company.
- xvi. 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. Accordingly, the reporting under Clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) & 3(xvi)(d) is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and therefore, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. In our opinion and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, section 135 of the Act is not applicable to the Company and therefore, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare consolidated financial statements and therefore, reporting under 3(xxi) clause of the Order is not applicable to the Company.

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No.106237W

PJ Amin

Pritesh Amin

Partner

Membership No.: 105926

UDIN: 22105926AJKLCP9341

Place: Vadodara

Date: May 23, 2022



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

Balance Sheet as at March 31, 2022

(Amount in ₹ Lakh)

	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	5	12.07	12.07
	(b) Reserves and Surplus	6	1,249.37	1,143.82
			<b>1,261.44</b>	<b>1,155.89</b>
<b>2</b>	<b>Non-current Liabilities</b>			
	(a) Long Term Provisions	7	25.46	21.17
			<b>25.46</b>	<b>21.17</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Trade Payables			
	Dues to Micro and small enterprises	8	34.07	20.18
	Dues to others	8	74.50	55.52
	(b) Other Current Liabilities	9	29.01	22.67
	(c) Short Term Provisions	10	0.28	7.18
			<b>137.86</b>	<b>105.55</b>
	<b>TOTAL</b>		<b>1,424.76</b>	<b>1,282.61</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current Assets</b>			
	(a) Property, Plant & Equipment	11	57.25	52.75
	(b) Non-current Investments	12	12.20	12.20
	(c) Deferred Tax Assets (Net)	13	2.97	1.82
	(d) Long Term Loans and Advances	14	150.00	150.00
	(e) Other Non Current Assets	15	1.10	1.10
			<b>223.52</b>	<b>217.87</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Current Investments	16	1,100.00	-
	(b) Inventories	17	42.16	52.48
	(c) Trade Receivables	18	50.47	38.29
	(d) Cash and Bank Balances	19	6.91	920.71
	(e) Short Term Loans and Advances	20	1.66	8.38
	(f) Other Current Assets	21	0.04	44.88
			<b>1,201.24</b>	<b>1,064.74</b>
	<b>TOTAL</b>		<b>1,424.76</b>	<b>1,282.61</b>
	Significant accounting policies and notes to financial statements	1 - 39		

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

*P. Amin*

Pritesh Amin  
Partner  
Membership No.: 105926



Place: Vadodara  
Date: May 23, 2022

For and on behalf of the Board

*Lata Rungta*

Lata Rungta  
Director  
DIN: 00040058

*Pranav Rungta*

Pranav Rungta  
Director  
DIN: 00040318

Place: Mumbai  
Date: 16th May 2022

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

**Statement of Profit and Loss for the year ended on March 31, 2022**

(Amount in ₹ Lakh)

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	22	744.76	575.16
II	Other Income	23	33.44	120.52
III	<b>Total Income (I + II)</b>		<b>778.20</b>	<b>695.68</b>
IV	<b>Expenses</b>			
	Cost of Raw Materials Consumed	24	321.24	236.12
	(Increase)/ Decrease in Inventory of Finished Goods and Work in Progress	25	(6.54)	4.99
	Employee Benefits Expenses	26	34.29	26.40
	Depreciation	27	8.03	8.02
	Other Expenses	28	240.05	194.19
V	<b>Total Expenses</b>		<b>597.07</b>	<b>469.72</b>
VI	<b>Profit before tax (III-V)</b>		181.13	225.96
VII	<b>Tax Expenses</b>			
	Current Tax		47.00	51.50
	Deferred Tax		(1.15)	(0.70)
	Taxation pertaining to earlier years		(0.44)	(0.49)
	<b>Total Tax Expenses</b>		<b>45.41</b>	<b>50.31</b>
VIII	<b>Profit for the year (VI-VII)</b>		135.73	175.66
IX	Basic and Diluted Earnings per share (Nominal value of ₹ 10 per equity share)	29	112.45	145.53
	<b>Significant accounting policies and notes to financial statements</b>	1 - 39		

As per our report of even date attached

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No.: 106237W

*PJ Amin*

Pritesh Amin

Partner

Membership No.: 105926



Place: Vadodara

Date: May 23, 2022

For and on behalf of the Board

*Lata Rungta*

Lata Rungta

Director

DIN: 00040058

PraNav Rungta

Director

DIN: 00040318

Place: Mumbai

Date: 16th May 2022

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

**Statement of Cash Flows for the year ended on March 31, 2022**

(Amount in ₹ Lakh)

		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Profit before Tax	181.14	225.96
	<b>Adjustments for:</b>		
	Depreciation	8.03	8.02
	Liabilities no longer required, written back	(0.02)	(0.12)
	Profit on Sale of Mutual Fund	-	(43.29)
	Loss on retirement/disposal of property, plant and equipment (net)	0.61	-
	Interest Income	(27.19)	(71.46)
	<b>Operating profit before working capital changes</b>	<b>162.57</b>	<b>119.12</b>
	(Increase)/Decrease in Inventories	10.31	5.82
	(Increase)/ Decrease in Trade Receivables	(12.18)	(27.08)
	(Increase)/ Decrease in Loans and Advances	3.66	2.38
	Increase/ (Decrease) in Trade Payables	32.87	(1.76)
	Increase / (Decrease) in other Current Liabilities	6.37	6.18
	Increase / (Decrease) in Provisions	4.38	13.83
	<b>Cash Generated from operations</b>	<b>207.98</b>	<b>118.48</b>
	Income-tax paid (net)	(50.49)	(43.76)
	<b>Net cash generated from operating activities</b>	<b>157.49</b>	<b>74.72</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment	(13.14)	-
	Proceeds from repayment of Inter-corporate Deposit	-	600.00
	Inter-corporate Deposit Given	-	(150.00)
	Investment in Mutual Funds	(1,100.00)	-
	Sale Proceeds from Mutual Funds	-	213.29
	Movement in Bank Fixed Deposit (having original maturity of more than 12 months)	905.00	(730.00)
	Interest Received	72.02	30.73
	<b>Net cash generated from / (used in) investing activities</b>	<b>(136.11)</b>	<b>(35.99)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Dividend Paid	(30.18)	(30.18)
	<b>Net cash (used in) financing activities</b>	<b>(30.18)</b>	<b>(30.18)</b>
<b>D.</b>	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(8.80)</b>	<b>8.55</b>
<b>E.</b>	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>15.71</b>	<b>7.16</b>
<b>F.</b>	<b>Cash and Cash Equivalents at the end of the year</b>	<b>6.91</b>	<b>15.71</b>

**Note:**

- Components of cash and cash equivalents are as per note no. 19
- 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

*PJ Amin*

Pritesh Amin

Partner

Membership No.: 105926



For and on behalf of the Board

*Lata Rungta*

Lata Rungta

Director

DIN: 00040058

*Pranav Rungta*

Pranav Rungta

Director

DIN: 00040318

Place: Vadodara

Date: May 23, 2022

Place: Mumbai

Date: 16th May 2022



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

**Notes to the financial statements for the year ended March 31, 2022**

**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. Dividend income is recognised when the right to receive payment is established. Other income is recognized on accrual basis except when realisation of such income is uncertain.

**(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, 2022**

**(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.

Investment in land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is not depreciation.

**(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 and Stores & Spares:-** 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

**(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 loss.

**(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, 2022**

**(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. Non-monetary items denominated in foreign currency, (such as advances received /given, investments, property, plant and equipment, 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, 2022

**5. Share Capital**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Authorised Shares (Nos)</b> 250,000 Equity Shares of ₹ 10 each	25.00	25.00
<b>Issued, Subscribed and Fully Paid-up</b> 120,700 Equity Shares of ₹10 each fully paid	12.07	12.07
	<b>12.07</b>	<b>12.07</b>

**(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, 2022, the Company has paid final dividend for the year ended March 31, 2021 of ₹ 25 per equity share. The total amount paid during the year ended March 31, 2022 was ₹ 30.18 Lakh.

The Board of Directors at its meeting held on 16th May, 2022 have recommended a payment of final dividend of ₹ 25 per equity share for the financial year ended March 31, 2022. The same amounts to ₹ 30.18 Lakh. 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, 2022		March 31, 2021	
	Nos.	(Amount in ₹ Lakh)	Nos.	(Amount in ₹ Lakh)
Shares outstanding at the beginning of the period	120,700	12.07	120,700.00	12.07
Add: Shares issued during the period	-	-	-	-
Less: Shares reduced during the period	-	-	-	-
Shares outstanding at the end of the period	120,700	12.07	120,700.00	12.07

**(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, 2022		March 31, 2021	
		No of shares	% of Holding	No of shares	% of Holding
1	M/s Lata Rungta	120,000	99.42%	120,000	99.42%

**(d) Details of Promoters' Shareholding :**

Sr No.	Name of the shareholder	March 31, 2022		March 31, 2022	
		No of shares	% of Holding	No of shares	% of Holding
1	Lata Rungta	120,000	99.42%	120,000.00	0.99
2	Devendra Kumar Jain	100	0.08%	100.00	0.00
3	Vivek Kumar Jain	100	0.08%	100.00	0.00

**6. Reserves and Surplus**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>General Reserve</b>		
Balance as per last Balance Sheet	400.00	350.00
Add: Transfer from surplus in the Statement of Profit and Loss	50.00	50.00
Balance as at the end of the year	450.00	400.00
Balance as per last Balance Sheet	743.82	648.34
Add: Profit for the year	135.73	175.66
Less: Appropriations		
Final Dividend	30.18	30.18
General Reserve	50.00	50.00
Closing Balance	799.37	743.82
<b>Total Reserves and Surplus</b>	<b>1,249.37</b>	<b>1,143.82</b>





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

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

**7. Long Term Provisions**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefits</b>		
- for Gratuity	7.54	6.07
- for Leave Benefits	3.04	2.50
<b>Provision for Others</b>		
- Gratuity Payable to Contractor Workers	14.88	12.60
	<b>25.46</b>	<b>21.17</b>

**8. Trade Payables**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
Dues to Micro and Small enterprises	34.07	20.18
Dues to others	74.50	55.52
	<b>108.57</b>	<b>75.70</b>

**Trade Payables Ageing**

(Amount in ₹ Lakh)

FY 21-22	Not Due	Less than 1 Year	1- 2 Year	2- 3 Year	More Than 3
(i) MSME*	34.07	-	-	-	-
(ii) Others	74.50	-	-	-	-
(iii) Disputed Dues - MSME*	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
<b>FY 20-21</b>					
(i) MSME*	20.18	-	-	-	-
(ii) Others	55.52	-	-	-	-
(iii) Disputed Dues - MSME*	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

\*Micro and Small Enterprises in line with Note - 8: Trade Payables

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Amount due and Payable at the year end</b>		
- Principal	34.07	20.18
- Interest on above Principal	-	-
<b>Payments made during the year after the due date</b>		
- Principal	-	-
- Interest on above Principal	-	-
<b>Interest due and payable for principals already paid</b>	-	-
<b>Total Interest accrued and remained unpaid at year end</b>	-	-
<b>Further Interest remaining due and payable in succeeding year</b>	-	-

**9. Other Current Liabilities**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Other Payables :-</b>		
Statutory dues and taxes	4.43	3.04
Retention money	15.18	10.99
Employees dues payables	5.08	4.86
Other expenses payables	4.00	1.59
Advance from customers	0.32	2.19
	<b>29.01</b>	<b>22.67</b>

**10. Short Term Provisions**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefits</b>		
- for Gratuity	0.15	0.09
- for Leave Benefits	0.13	0.10
<b>Other provisions</b>		
Provision for Income Tax (Net of Advance Tax)	-	6.99
	<b>0.28</b>	<b>7.18</b>



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

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

**11. Property, Plant & Equipment**

(Amount in ₹ Lakh)

Particulars	Freehold Land	Buildings	Plant &	Office	Furniture and	Vehicles	Total
<b>Cost or valuation</b>							
Balance as at 1 April 2020	2.09	39.48	52.16	5.39	23.51	32.14	154.77
Additions							
Balance as at 31 March 2021	<b>2.09</b>	<b>39.48</b>	<b>52.16</b>	<b>5.39</b>	<b>23.51</b>	<b>32.14</b>	<b>154.77</b>
Additions	-	1.16	11.98	-	-	-	13.14
Disposals / Discard	-	-	-	(0.06)	(4.13)	-	(4.19)
Balance as at 31 March 2022	<b>2.09</b>	<b>40.64</b>	<b>64.14</b>	<b>5.33</b>	<b>19.38</b>	<b>32.14</b>	<b>163.72</b>
<b>Depreciation</b>							
Balance as at 1 April 2020	-	12.44	47.19	4.13	14.36	15.88	94.00
Charge for the year	-	1.10	0.63	0.38	1.93	3.99	8.03
Balance as at 31 March 2021	-	<b>13.54</b>	<b>47.82</b>	<b>4.51</b>	<b>16.29</b>	<b>19.87</b>	<b>102.03</b>
Charge for the year	-	1.13	1.49	0.27	1.16	3.98	8.03
Disposals / Discard	-	-	-	(0.06)	(3.53)	-	(3.59)
Balance as at 31 March 2022	-	<b>14.67</b>	<b>49.31</b>	<b>4.72</b>	<b>13.92</b>	<b>23.85</b>	<b>106.47</b>
<b>Net Block</b>							
Balance as at 31 March 2021	2.09	25.94	4.34	0.88	7.22	12.27	52.74
Balance as at 31 March 2022	2.09	25.97	14.83	0.61	5.46	8.29	57.25



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

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

**12. Non-current Investments**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
Investment Property	12.20	12.20
	<b>12.20</b>	<b>12.20</b>

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

Particulars	March 31, 2022	March 31, 2021
Aggregate amount of Investment Property	12.20	12.20
Aggregate provision for diminution in value of investment property	-	-
Investment Property, Freehold land of ₹ 12.20 Lakh is given on operating lease.		

**13. Deferred Tax Assets (Net)**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Deferred Tax Liabilities</b>		
Impact of difference between tax depreciation and depreciation charged in the books	0.50	0.81
	0.50	0.81
<b>Deferred Tax Assets</b>		
Expenditure allowable on payment basis under Income-tax Act, 1961	1.34	1.08
Provision for employee benefits	1.93	1.55
Provision for Inventory	0.20	-
	3.47	2.63
	<b>2.97</b>	<b>1.82</b>

**14. Long Term Loan and Advances**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Unsecured, considered good</b>		
Loans and advances to related party (see note no. 33)		
- Inter corporate deposits	150.00	150.00
	<b>150.00</b>	<b>150.00</b>

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

**Disclosure pertaining to loans given to related parties without specifying terms of period of repayment:**

**FY 21-22**

Type of Borrower	Amount of loan	Percentage to
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	150.00	100%

**FY 20-21**

Type of Borrower	Amount of loan	Percentage to
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	150.00	100%

**15. Other Non-current Assets**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
Security Deposits	1.10	1.10
	<b>1.10</b>	<b>1.10</b>



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

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

**16. Current Investments**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Unquoted</b>		
<b>Investment in Mutual Funds</b>		
ICICI Prudential Corporate Bond Fund-Growth 985,409.735 units (PY Nil units) - Face Value of ₹ 10 each	225.00	-
Kotak Bond STP - Growth 539,260.359 units (PY Nil units) - Face Value of ₹ 10 each	224.00	-
Nippon India Banking And PSU Debt Fund-Growth 1,947,894.508 units (PY Nil units) - Face Value of ₹ 10 each	321.00	-
Hdfc Corporate Bond Fund-Growth 904,853.802 units (PY Nil units) - Face Value of ₹ 10 each	230.00	-
Aditya Birla Sun Life Nifty SDL Plus PSU Bond-Growth 985,764.846 units (PY Nil units) - Face Value of ₹ 10 each	100.00	-
	<b>1,100.00</b>	<b>-</b>

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

Particulars	March 31, 2022	March 31, 2021
Market Value of unquoted Investments	1,127.77	-
Aggregate amount of unquoted Investments	1,100.00	-
Aggregate provision for diminution in value of investments	-	-

**17. Inventories**

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

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
Raw Materials	16.76	33.47
Work-in-progress	11.89	6.45
Finished goods	1.98	1.25
Stores and spares	8.02	8.16
Scrap	3.51	3.15
	<b>42.16</b>	<b>52.48</b>

**18. Trade Receivables**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Undisputed</b>		
<b>Unsecured, Considered Good</b>		
Due from related parties	50.47	38.29
Others	-	-
<b>Considered Doubtful</b>	-	-
<b>Disputed</b>		
<b>Unsecured, Considered Good</b>		
Due from related parties	-	-
Others	-	-
<b>Considered Doubtful</b>	-	-
	<b>50.47</b>	<b>38.29</b>

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

**Trade Receivable Ageing**

(Amount in ₹ Lakh)

FY 21-22	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months - 1 year	1- 2 year	2- 3 year	More Than 3 years
(i) Undisputed Trade receivables – considered good	50.47	-	-	-	-	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-





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

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

**Trade Receivable Ageing**

(Amount in ₹ Lakh)

FY 20-21	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months - 1 year	1- 2 year	2- 3 year	More Than 3 years
(i) Undisputed Trade receivables – considered good	38.29	-	-	-	-	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-

**19. Cash and Bank Balances**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	6.87	15.70
Cash in hand	0.04	0.01
	6.91	15.71
<b>Other Bank Balances</b>		
Fixed Deposit	-	905.00
	-	905.00
	<b>6.91</b>	<b>920.71</b>

**20. Short Term Loan and Advances**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
<b>Unsecured, considered good</b>		
Advance to suppliers	0.73	4.41
Prepaid expenses	0.07	0.05
Income Tax (net of provision)	0.86	3.92
	<b>1.66</b>	<b>8.38</b>

Note: Loans and advances include dues from a private company and a proprietary concern where Director of the Company is a member/proprietor

**21. Other Current Assets**

(Amount in ₹ Lakh)

Particulars	March 31, 2022	March 31, 2021
Interest accrued on Bank Fixed Deposits	-	44.88
Interest accrued on Security Deposit with MGVL	0.04	-
	<b>0.04</b>	<b>44.88</b>



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

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

**22. Revenue from Operations**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
<b>Sale of Products</b>		
Finished Goods - Valves for Freon Cylinders	720.17	566.58
Sale of Scrap	24.59	8.58
	<b>744.76</b>	<b>575.16</b>

**23. Other Income**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
Interest Income		
- On bank deposits	16.60	50.01
- On Inter corporate deposit	10.50	21.38
- On Income Tax Refund	0.00	-
- Others	0.09	0.06
Lease Rent Received	5.65	5.65
Profit on Sale of Mutual Fund	-	43.29
Debit Note to Customer due to Non-lifting of Material	0.59	-
Liabilities no longer required written back	0.02	0.12
	<b>33.45</b>	<b>120.51</b>

**24. Cost of Raw Materials Consumed**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
Inventory at the beginning of the year	33.47	33.04
Add: Purchases	304.53	236.55
	338.00	269.59
Less: Inventory at the end of the year	16.76	33.47
Cost of Raw Material Consumed	<b>321.24</b>	<b>236.12</b>

**Details of Materials Consumed**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
ENIA Rod	123.98	91.66
Valve Spindle	64.81	54.40
M.S.Nozzle	49.78	40.63
"O" Ring	28.12	24.61
Others	54.55	24.82
	<b>321.24</b>	<b>236.12</b>

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

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
<b>Inventory at the beginning of year</b>		
Work in Progress - Valves for Freon Cylinders	6.45	5.80
Finished Goods - Valves for Freon Cylinders	1.25	9.62
Scrap	3.15	0.41
	<b>10.85</b>	<b>15.83</b>
<b>Inventory at the end of year</b>		
Work in Progress - Valves for Freon Cylinders	11.89	6.45
Finished Goods - Valves for Freon Cylinders	1.98	1.25
Scrap	3.51	3.15
	<b>17.38</b>	<b>10.85</b>
(Increase)/ Decrease in Inventory of Finished Goods and Work in Progress	<b>(6.53)</b>	<b>4.98</b>



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

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

**26. Employee Benefits Expenses**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
Salaries and Wages	30.24	23.52
Contribution to Provident Fund & Other funds	1.56	1.27
Staff Welfare Expenses	2.49	1.61
	<b>34.29</b>	<b>26.40</b>

**27. Depreciation**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
Depreciation - Tangible Assets	8.03	8.02
	<b>8.03</b>	<b>8.02</b>

**28. Other Expenses**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
Stores & Spares Consumed	21.41	16.96
Labour Charges	181.95	152.07
Power & Fuel	7.99	6.38
Rates and Taxes	0.17	0.17
Loss on retirement/disposal of property, plant and equipment (net)	0.61	-
Insurance	0.36	0.29
Legal and Professional Fees	21.68	15.58
Payment to Auditor*	1.50	0.51
Repairs and Maintenance		
- Plant and Equipments	0.81	0.39
- Building	0.09	1.05
- Others	0.68	0.14
Miscellaneous Expenses	2.77	0.65
	<b>240.02</b>	<b>194.19</b>

**\*Payment to Auditor**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
<b>As Auditor:</b>		
Statutory Audit	1.50	0.51
	<b>1.50</b>	<b>0.51</b>

(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, 2022**

**29. Earnings per share (EPS)**

(Amount in ₹ Lakh)

Particulars	2021-2022	2020-2021
	₹	₹
Profit for the year (₹) – numerator for calculating EPS	135.73	175.66
No. of equity shares outstanding at the beginning and at the end of the year	120,700	120,700
Nominal value of each share (₹)	10	10
Basic and Diluted Earnings per share	112.45	145.53

**30. Employee Benefits**

(a) Contribution to Provident Fund of ₹ 1.35 Lakh (previous year ₹ 1.12 Lakh) 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, 2022 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, 2022		March 31, 2021	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Discount Rate	7.00%		6.45%	
2	Salary Escalation Rate	12%		12%	
3	Mortality	IALM (2012-14) Ult.		IALM (2012-14) Ult.	

**31. 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 ₹ 5.65 Lakh (previous year ₹ 5.65 Lakh) is recognised as Lease rent received in note no. 23 to the Statement of Profit and Loss.

**32. Contingent Liability and Commitments**

Contingent Liability - ₹ Nil (previous year ₹ Nil)

Commitments - ₹ Nil (previous year ₹ 0.98 Lakh)





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

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

**33. 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

\* Also a person having control by virtue of shareholding

**(b) Details of Related Party Transactions**

(Amount in ₹ Lakh)

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, 2022 March 31, 2021	720.07 566.58	5.65 5.65	0.50 0.16	- -	- 17.71
2	Gujarat Fluorochemicals Limited	March 31, 2022 March 31, 2021	0.10 -	- -	- 0.16	- -	- -
3	PTI Engineering Technologies Private Limited	March 31, 2022 March 31, 2021	1.77 -	- -	48.84 38.54	- -	3.50 1.51
4	Curry Me Up Private Limited	March 31, 2022 March 31, 2021	- -	- -	- -	- -	7.00 2.17
5	Pranav Rungta	March 31, 2022 March 31, 2021	- -	- -	- -	21.00 12.00	- -

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

**(c) Amount outstanding as at the year end**

(Amount in ₹ Lakh)

Sr. No.	Names of Related Parties	Year ended	Amount Receivable	Amount Payable	Loan Amount Receivable
1	Inox India Private Limited	March 31, 2022 March 31, 2021	50.47 38.29	0.08 -	- -
2	PTI Engineering Technologies Private Limited	March 31, 2022 March 31, 2021	- -	3.44 -	50.00 50.00
3	Curry Me Up Private Limited	March 31, 2022 March 31, 2021	- -	- -	100.00 100.00
4	Pranav Rungta	March 31, 2022 March 31, 2021	- -	1.80 -	- -

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

The inter-corporate deposits of ₹ 50.00 Lakh (previous year ₹ 50.00 Lakh) to PTI Engineering Technologies Private Limited are unsecured and given for general business purpose & carry interest @ 7% p.a.

The inter-corporate deposits of ₹ 100.00 Lakh (previous year ₹ 100.00 Lakh) 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, 2022

**34. Analytical Ratios**

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio (times)	Current Assets	Current Liabilities	8.71	10.09		
2	Return on Equity (ROE) (times)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.11	0.16		
3	Inventory Turnover Ratio (times)	Cost of goods sold OR sales	Average Inventory [Average inventory is (Opening + Closing balance / 2)]	6.65	4.35		
4	Trade receivables turnover ratio (times)	Net Credit Sales	Avg. Accounts Receivable [Average trade debtors = (Opening + Closing balance / 2)]	16.78	23.24		
5	Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	3.31	3.09		
6	Net capital turnover ratio (times)	Net Sales	Working Capital [Working capital shall be calculated as current assets minus current liabilities.]	0.70	0.60		
7	Net profit ratio (%)	Net Profit [Net profit shall be after tax.]	Net Sales [Net sales shall be calculated as total sales minus sales returns.]	18.22%	30.54%		
8	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed [Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability]	14.11%	19.23%		
9	Return on investment (%)	{MV(T1) – MV(T0) – Sum [C(t)]}  T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date	{MV(T0) + Sum [W(t) * C(t)]}  MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1	3.91%	-		



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

**Notes to the financial statements for the year ended March 31, 2022**

35. 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.
36. 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.
37. The balances of Trade payables are subject to adjustments, if any, on reconciliation / settlement.
38. 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.
39. 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**

*PJ Amin*

**Pritesh Amin**

**Partner**

**Membership No.: 105926**

**Place: Vadodara**

**Date: May 23, 2022**



**For and on behalf of the Board**

*Lata Rungta*

**Lata Rungta**

**Director**

**DIN: 00040058**

**Place: Mumbai**

**Date: 16th May 2022**

*Pranav Rungta*

**Pranav Rungta**

**Director**

**DIN: 00040318**