



**Sharma S K & Associates**  
**Chartered Accountants**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board Members of –

**M/s KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED,  
Flat No. 1004, Block B, 10th Floor, Sky View Apartments,  
Bhiwadi ALWAR Alwar RJ 301019 IN**

Report on the Audit of Standalone Financial Statements

**Opinion**

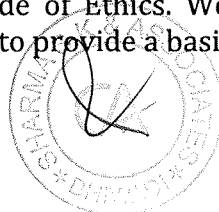
We have audited the financial statements of **M/s KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting standards prescribed u/s 133 of the Act read with 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 31st March, 2022, its profit/loss and its cash flows for the year ended on that date:

- a) In the case of the balance sheet, of the state of affairs of the company as at March 31, 2022
- b) In the case of the Profit and Loss Account, of the profit for the period ended on that date and
- c) In the case of cash flow statement, for the cash flows for the year ended on that date
- d) And the changes in equity for the year ended on that date

**Basis for Opinion**

We conducted our audit in accordance with the Accounting Standards (AS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion.



### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, key audit matters are not applicable to the company as it is an unlisted company.

<b>S. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
1.	Nil	Nil

### **Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called "Board Report") which comprises various information required u/s 134(3) of the Companies Act, 2013 but does not include the financial statements and our audit report thereon.

Our opinion is on the financial statements do not cover the Board Report 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 Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **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 Companies Act, 2013 ("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.



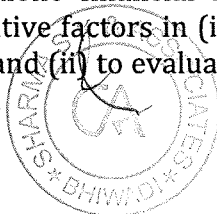
## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

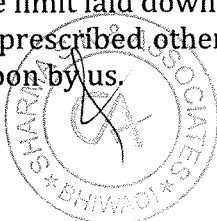


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 Companies Act, 2013, we give in the '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 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 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 its 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 its 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 such 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 mis-statement.
  - v. No dividend has been declared or paid during the year by the company.

For & On Behalf of:

Sharma S K & Associates

(Chartered Accountants)

FRN: 021227C

Satish Kumar Sharma

(Prop.)

Place: Bhiwadi

Date: 02-09-2022

UDIN: 22513183ATWSXH3662

## Annexure 'A'

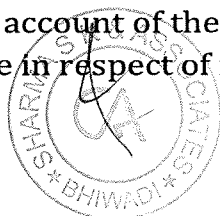
The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except the following:-

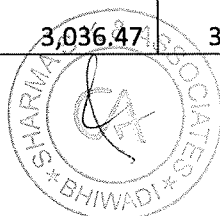
Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
NIL					

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The monthly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company and not found a discrepancy of 10% or more in the aggregate in respect of following:



(Amount in Lakhs)

Month	All Stock (Raw Material, Chemicals, Fuel, Packing, W.I.P., Stores & Spares)		Book Debts & Other Current Assets		Change in % term (on basis of Books) {Books-Return/Books}	
	As per Books	As per Return to Bank	As per Books	As per Return to Bank	All Stock (Raw Material, Chemicals, Fuel, Packing, W.I.P., Stores & Spares)	Book Debts & Other Current Assets
April, 2021	1,088.85	1,088.55	1,719.07	1,723.14	0.03%	-0.24%
May, 2021	1,377.07	1,377.13	1,574.60	1,578.10	0.00%	-0.22%
Jun, 2021	1,302.87	1,302.85	1,648.00	1,650.05	0.00%	-0.12%
Jul, 2021	825.01	824.89	2,045.53	2,046.28	0.01%	-0.04%
Aug, 2021	959.74	959.27	2,116.24	2,149.18	0.05%	-1.56%
Sep, 2021	1,046.86	1,046.19	1,979.77	1,983.11	0.06%	-0.17%
Oct, 2021	992.36	991.42	2,174.27	2,181.10	0.10%	-0.31%
Nov, 2021	1,473.57	1,473.62	2,353.06	2,351.33	0.00%	0.07%
Dec, 2021	1,358.65	1,358.42	2,436.19	2,414.23	0.02%	0.90%
Jan, 2022	1,198.56	1,198.79	3,072.74	3,198.22	-0.02%	-4.08%
Feb, 2022	994.19	994.84	3,295.90	3,327.49	-0.07%	-0.96%
Mar, 2022	1,893.33	1,758.95	3,036.47	3,038.22	7.10%	-0.06%



- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, Limited Liability Partnerships during the year nor the company has granted any loan or guarantee to any company during the year. Thus, reporting on paragraph 3 (iii) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, Limited Liability Partnerships during the year nor the company has granted any loan or guarantee to any company during the year. Thus, reporting on paragraph 3 (iii) (b) of the Order is not applicable.
- (c) There are stipulation of schedule of repayment of principal and payment of interest and there is no default on the regularity of repayment of principal & payment of interest.
- (d) Since the term of arrangement has stipulated the repayment schedule, we did not found any overdue amount which is pending to repay to the banks or financial institution. The schedule of repayment of principal and interest for all kind of term loans is as under:

**HDFC TERM LOAN A/C NO. 84370042**

**(Amount inThousand)**

Sr. No.	Date	EMI	Pincipal Amt.	intt.
1	04/07/2021	289.50	198.06	91.44
2	05/07/2021	289.50	199.31	90.19
3	06/07/2021	289.50	200.57	88.92
4	07/07/2021	289.50	201.84	87.65
5	08/07/2021	289.50	203.12	86.38
6	09/07/2021	289.50	204.41	85.09
7	10/07/2021	289.50	205.70	83.80
8	11/07/2021	289.50	207.01	82.49
9	12/07/2021	289.50	208.32	81.18
10	01/07/2022	289.50	209.64	79.86
11	02/07/2022	289.50	210.96	78.53
12	03/07/2022	289.50	212.30	77.20
<b>TOTAL</b>		<b>3,473.99</b>	<b>2,451.25</b>	<b>1,012.74</b>





## HDFC TERM LOAN A/C - 84135965

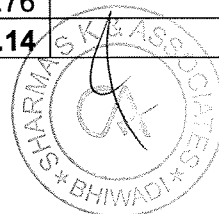
(Amount in Thousand)

Sr. No.	Date	EMI	PRINCIPAL AMT.	INTT.
1	04/07/2021	352.90	279.42	73.47
2	05/07/2021	352.90	281.19	71.70
3	06/07/2021	352.90	282.98	69.92
4	07/07/2021	352.90	284.77	68.13
5	08/07/2021	352.90	286.57	66.33
6	09/07/2021	352.90	288.39	64.51
7	10/07/2021	352.90	290.21	62.69
8	11/07/2021	352.90	292.05	60.85
9	12/07/2021	352.90	293.90	59.00
10	01/07/2022	352.90	295.76	57.14
11	02/07/2022	352.90	297.63	55.26
12	03/07/2022	352.90	299.52	53.38
<b>TOTAL</b>		<b>4,234.78</b>	<b>3,472.40</b>	<b>762.38</b>

## HDFC TERM LOAN A/C -84926052

(Amount in Thousand)

Sr.No	Date	EMI	PRINCIPAL AMT.	INTT.
1	04/07/2021	1,048.76	657.42	391.34
2	05/07/2021	1,048.76	661.89	386.88
3	06/07/2021	1,048.76	666.38	382.38
4	07/07/2021	1,048.76	670.91	377.85
5	08/07/2021	1,048.76	675.46	373.30
6	09/07/2021	1,048.76	680.05	368.71
7	10/07/2021	1,048.76	684.67	364.09
8	11/07/2021	1,048.76	689.32	359.44
9	12/07/2021	1,048.76	694.00	354.76
10	01/07/2022	1,048.76	698.72	350.05
11	02/07/2022	1,048.76	703.46	345.30
12	03/07/2022	1,048.76	708.24	340.52
<b>TOTAL</b>		<b>12,585.14</b>	<b>8,190.52</b>	<b>4,394.62</b>



(e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties except following:

Name of Party	Amount renewed or extended	% of total loan	Remark, if any
	Nil		

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

(iv) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non-charging of interest on the loan.

(v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.

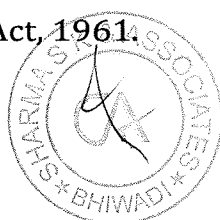
(vi) As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.

(vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending	Remarks, if Any
			Nil		

(viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



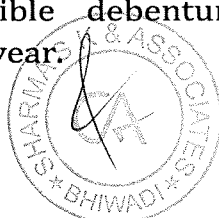
- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
	Nil				

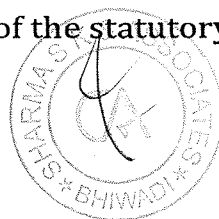
- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, except for:

Nature of the fund raised	Name of the lender	Amount diverted (Rs.)	Purpose for which amount was sanctioned	Purpose for which amount was utilized	Remarks
			Nil		

- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.



- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud 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 by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements,
- (xiv) In our opinion and based on our examination, the company does not require to have an internal audit system.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditor during the.



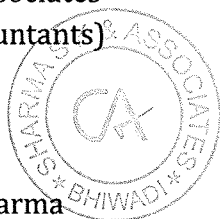
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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;
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For & On Behalf of:

Sharma S K & Associates

(Chartered Accountants)

FRN: 021227C



Satish Kumar Sharma

(Prop.)

Place: Bhiwadi

Date: 02-09-2022

UDIN: 22513183ATWSXH3662

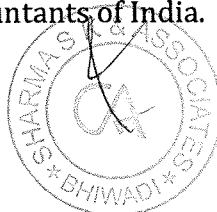
**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of M/s KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For & On Behalf of:

Sharma S K & Associates

(Chartered Accountants)

FRN: 021227C

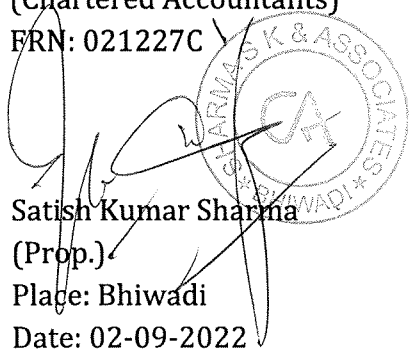
Satish Kumar Sharma

(Prop.)

Place: Bhiwadi

Date: 02-09-2022

UDIN: 22513183ATWSXH3662



**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

CIN : U29309RJ2017PTC058905  
Balance Sheet as at 31st March, 2022

(Amount in Thousand, unless otherwise stated)

Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
a) Share Capital	2 & 3	44,000.00	44,000.00
b) Reserve & Surplus	4	193,405.56	73,792.34
<b>2 Non- Current Liabilities</b>			
(a) Long-Term Borrowings	5	110,597.40	108,474.33
<b>3 Current Liabilities</b>			
(a) Trade Payables			
- Total outstanding dues of micro Enterprises and small enterprises		31,561.19	21,517.19
- Total outstanding dues of creditors other than micro Enterprises and small enterprises	6	396,551.07	194,521.68
(b) Short Term Borrowings	7	76,113.66	33,086.73
(c) Other Current Liabilities	8	50,725.18	33,553.40
(d) Short Term Provisions	9	57,505.00	22,208.95
(e) Deferred Tax Liability (Net)		2,819.16	3,912.71
<b>Total</b>		<b>963,278.23</b>	<b>535,067.31</b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>(a) Property, plant and equipment and Intangible assets</b>			
(i) Property, plant and equipment	10	216,184.97	214,409.36
(ii) Intangible Assets:			
(iii) Capital work in progress		-	-
b) Deferred Tax Assets (Net)		-	-
c) Other Non Current Assets	11	4,960.00	495.98
<b>2 Current Assets</b>			
(a) Inventories	12	213,084.19	54,747.76
(b) Trade Receivables	13	320,163.64	177,032.88
(c) Cash and Cash Equivalents	14	141,868.78	64,171.45
(d) Short Term Loans & Advances	15	67,016.64	24,209.87
(e) Other Current Asset		-	-
<b>Total</b>		<b>963,278.23</b>	<b>535,067.31</b>

**NOTES TO ACCOUNTS**

Summary of significant accounting policies, other explanatory informations & other notes

1

The accompanying notes are an integral part of the financial statements

2-34

This is the balance sheet referred to in our report of even date.

For Sharma S K & Associates  
(Chartered Accountants)  
FRN: 021227C

Satish Kumar Sharma  
(Prop.)  
Place: Bhiwadi  
Dated : 02-09-2022  
UDIN : 22513483ATWSXH3662

For and on behalf of the Board of Directors  
KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

(Santosh Kumar Yadav)  
(Director)  
DIN : 07789940

(Anju Devi)  
(Director)  
DIN : 06858442



**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

CIN : U29309RJ2017PTC058905

Statement of Profit & Loss A/c for the Period Ended on 31st March, 2022

(Amount in Thousand, unless otherwise stated)

Sr. No	Particulars	Note No.	Year Ended March 31,2022	Year Ended March 31,2021
I	Revenue from operations (net of taxes)	16	1,561,145.41	758,242.32
II	Other Income	17	36,850.55	23,176.63
III	<b>Total Income (I +II)</b>		<b>1,597,995.96</b>	<b>781,418.95</b>
IV	<b>Expenses:</b>			
	Cost of raw materials and components consumed	18	1,246,695.09	611,016.98
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(20,141.15)	(4,493.33)
	Employee Benefits Expenses	20	61,996.62	47,799.16
	Finance Costs	21	15,056.45	14,077.51
	Depreciation and Amortization Expense	10	23,935.64	16,359.29
	Other Expenses	22	107,157.10	49,450.26
	<b>Total Expenses (IV)</b>		<b>1,434,699.76</b>	<b>734,209.87</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>163,296.20</b>	<b>47,209.08</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax	(V - VI)	<b>163,296.20</b>	<b>47,209.08</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax	(VII - VIII)	<b>163,296.20</b>	<b>47,209.08</b>
X	<b>Tax expense:</b>			
	(1) Current tax		46,458.30	10,761.69
	(2) Deferred tax (Net)		(1,093.55)	2,371.87
XI	Profit(Loss) from the period from continuing operations	(IX - X)	<b>117,931.45</b>	<b>34,075.51</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII + XIII)	-	-
XV	Profit/(Loss) for the Year	(XI - XIV)	<b>117,931.45</b>	<b>34,075.51</b>
XVI	Earning per equity share: (nominal value of share Rs. 10 each)			
	- Basic (In rupees)		26.8026	7.7444
	- Diluted (In rupees)		26.8026	7.7444
	Computed on the basis of profit from continuing operations			

Summary of significant accounting policies, other explanatory informations & other notes

1

The accompanying notes are an integral part of the financial statements

2-34

This is statement of Profit and loss referred to in our report of even date.

For **Sharma S K & Associates**  
(Chartered Accountants)  
FRN: 021227C

Satish Kumar Sharma  
(Prop.)  
Place: Bhiwadi  
Dated: 02-09-2022  
UDIN: 22513183A1WSXH3662

For and on behalf of the Board of Directors  
KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

(Santosh Kumar Yadav)  
(Director)  
DIN : 07789940

(Anju Devi)  
(Director)  
DIN : 06858442

**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

CIN : U29309RJ2017PTC058905

(Amount in Thousand, unless otherwise stated)

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2022****(All amounts are in Indian Rupees, unless otherwise stated)**

	Year Ended March 31st, 2022	Year Ended March 31st, 2021
<b>Cash flow from operating activities</b>		
Net profit / (loss) before taxation	163,296.20	47,209.08
<b>Add:</b>		
Depreciation	23,935.64	16,359.29
Interest Income	3,007.93	1,537.80
Unrealised Foreign Currency Fluctuation	(3,125.25)	1,723.56
<b>Operating profit before working capital changes</b>	<b>187,114.52</b>	<b>66,829.72</b>
Adjustments for:		
(Increase)/decrease in Trade Receivables	(143,130.76)	(46,533.06)
(Increase)/ decrease in inventories	(158,336.42)	(19,090.75)
(Increase)/ decrease in loans and advances	(47,270.79)	(64,203.71)
Increase/ (decrease) in current liabilities and provisions	94,401.23	64,920.32
Increase/ (decrease) in Trade Payables	202,029.40	43,056.39
<b>Cash generated from operations</b>	<b>134,807.17</b>	<b>44,978.92</b>
Less: Income Tax Paid	9,950	-
<b>Net Cash inflow /(outflow) from Operating activities (A)</b>	<b>124,857</b>	<b>44,979</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (net)	(25,711.25)	(145,736.42)
Interest Income	(3,007.93)	(1,537.80)
Fixed Deposits (Change in grouping)	27,689.93	-
<b>Net Cash inflow /(outflow) from Investing activities (B)</b>	<b>(1,029.25)</b>	<b>(147,274.22)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) from Long Term Borrowings (Net)	14,443.48	54,567.11
Issuing & Paid up Capital Receipts	-	-
<b>Net Cash inflow /(outflow) from Financing activities (C)</b>	<b>14,443.48</b>	<b>54,567.11</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>138,271.40</b>	<b>(47,728.19)</b>
Cash and cash equivalent at the beginning of the year	3,597.38	51,325.57
<b>Cash and cash equivalent at the closing of the year</b>	<b>141,868.78</b>	<b>3,597.38</b>

For Sharma S K & Associates  
(Chartered Accountants)  
FRN: 021227C

Satish Kumar Sharma  
(Prop.)  
Place: Bhiwadi  
Dated : 02-09-2022  
UDIN : 22513183ATWSXH3662

For and on behalf of the Board of Directors  
KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

(Santosh Kumar Yadav)  
(Director)  
DIN : 07789940

(Anju Devi)  
(Director)  
DIN : 06858442

**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

Notes forming part of Balance sheet as at 31st March, 2022

(Amount in Thousand, unless otherwise stated)

**Note : 2 Share Capital**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>i) AUTHORIZED CAPITAL</b>		
49,00,000 Equity Shares of Rs. 10/- each.	49,000.00	49,000.00
	49,000.00	49,000.00
<b>ii) ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
<i>To the Subscribers of the Memorandum</i>		
- Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment		
44,00,000 Equity Shares of Rs. 10/- each, Fully	44,000.00	44,000.00
<b>Total Amount</b>	<b>44,000.00</b>	<b>44,000.00</b>

**iii) Terms/Rights attached to equity shares:**

The company has only one class of shares referred to as equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of four years immediately preceding the reporting date. No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.

**Notes 3: Share capital**

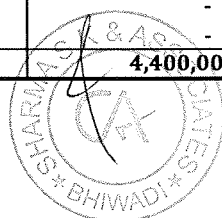
**Note 3 (A)**

Share Capital	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Authorised</b>				
___% preference shares of `___ each	N/A	N/A	N/A	N/A
Equity Shares of Rs. 10/-each with voting rights	4,900,000	49,000,000	4,900,000	49,000,000
<b>Issued</b>				
___% preference shares of `___ each	N/A	N/A	N/A	N/A
Equity Shares of Rs. 10/-each with voting rights	4,400,000	44,000,000	4,400,000	44,000,000
<b>Subscribed &amp; Paid up</b>				
___% preference shares of `___ each	N/A	N/A	N/A	N/A
Equity Shares of 10/- each fully paid with voting rights	4,400,000	44,000,000	4,400,000	44,000,000
<b>Subscribed but not fully Paid up</b>				
___ % preference shares of ___ each, not fully paid up	N/A	N/A	N/A	N/A
Equity Shares of - each, not fully paid up	N/A	N/A	N/A	N/A
<b>Total</b>	<b>4,400,000</b>	<b>44,000,000</b>	<b>4,400,000</b>	<b>44,000,000</b>

**Note 3 (B)**

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	4,400,000	44,000,000	4,400,000	44,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>4,400,000</b>	<b>44,000,000</b>	<b>4,400,000</b>	<b>44,000,000</b>



**Note 3 ( C )**

Note 3.1 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 3.2 : There is no fresh issue or buyback of shares during the year.

Note 3.3 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 3.4 : There is no change in the number of shares outstanding at the beginning and at the end of the year.

Note 3.5 : There is no change in the pattern of shareholding during the year. It is same as the last year.

**Note 3 ( D )****Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Santosh Kumar Yadav	2,030,000	46.14%	2,030,000	46.14%
Anju Devi	2,370,000	53.86%	2,370,000	53.86%
	<b>4,400,000</b>	<b>100%</b>	<b>4,400,000.00</b>	<b>100%</b>

**Note 3 ( E )****Details of shares held by Promoters of the Company**

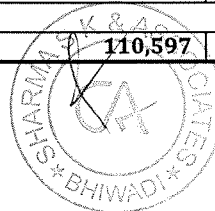
Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Santosh Kumar Yadav	2,030,000	46.14%	2,030,000	46.14%
Anju Devi	2,370,000	53.86%	2,370,000	53.86%
	<b>4,400,000</b>	<b>100%</b>	<b>4,400,000.00</b>	<b>100%</b>

**Note : 4 Reserve & Surplus**

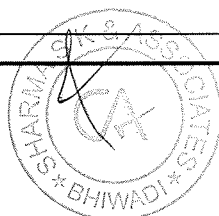
Sr. No	As at 31-03-2022	As at 31-03-2021
Balance brought forward from previous year	73,792.34	39,716.82
Adjustment during the year	1,681.78	-
Add: Profit for the period	117,931.45	34,075.51
<b>Total Amount</b>	<b>193,405.56</b>	<b>73,792.34</b>

**Note : 5 Long Term Borrowings**

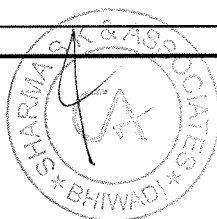
Sr. No	As at 31-03-2022		As at 31-03-2021	
	Non-Current	Current	Non-Current	Current
<b>Secured Loans from Banks</b>				
- Term Loan for Building and Plant & Machinery	95,587.38	18,651.69	84,008.36	14,124.17
- Vehicle Loan	7,886.03	1,395.81	1,011.60	392.78
- Other Loans	-	-	461.61	145.63
<b>Loans From Directors &amp; Shareholders (Unsecured)</b>				
- Loans from Directors & Relatives :				
Santosh Kumar Yadav	330.81	-	5,898.59	-
Anju Devi	6,793.17	-	9,594.17	-
- Other Loans - (Unsecured) :				
Axis Bank Ltd	-	-	-	2,522.37
Bajaj Finance	-	-	-	2,768.89
Fedbank Financial Services	-	-	-	2,767.81
ICICI Bank Ltd	-	-	-	2,774.32
Oxyzo Financial Services	-	15,000.00	7,500.00	-
<b>Total Amount</b>	<b>110,597</b>	<b>35,047</b>	<b>108,474.33</b>	<b>25,495.97</b>



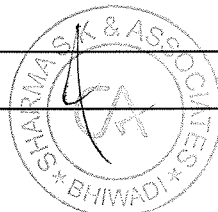
<b>Note : 6 Trade Payables</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>(i) MSME</b>		
less than one year	31,561.19	21,517.19
between one year to two years	-	-
between two year to three years	-	-
more than three years	-	-
<b>Total (A)</b>	<b>31,561.19</b>	<b>21,517.19</b>
<b>(ii) Others</b>		
less than one year	393,624.81	194,186.59
between one year to two years	2,926.27	251.09
between two year to three years	-	84.00
more than three years	-	-
<b>Total (B)</b>	<b>396,551.07</b>	<b>194,521.68</b>
<b>(iii) Disputed Dues-MSME</b>		
less than one year	-	-
between one year to two years	-	-
between two year to three years	-	-
more than three years	-	-
<b>Total ('C)</b>	<b>-</b>	<b>-</b>
<b>(iv) Disputed Dues-Others</b>		
less than one year	-	-
between one year to two years	-	-
between two year to three years	-	-
more than three years	-	-
<b>Total (D)</b>	<b>-</b>	<b>-</b>
<b>Total Amount (A+B+C+D)</b>	<b>428,112.26</b>	<b>216,038.86</b>
<b>Note 6.1 :</b> Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2021, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.		
<b>Note : 7 Short Term Borrowings</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Secured Borrowings</b>		
Working Capital Loan from HDFC Bank Ltd	76,113.66	32,533.97
Working Capital Loan from State Bank of India	-	552.76
<b>Total Amount</b>	<b>76,113.66</b>	<b>33,086.73</b>
<b>Note : 8 Other Current Liabilities</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Current maturities of long term debts (Refer Note No. 3)	35,047.50	25,495.97
<b>Other Payables:</b>		
- Employee related liabilities	7,265.08	3,853.75
- Statutory Due Payable (ESI, EPF, TDS & GST Payables)	4,104.48	909.99
- Electricity Expenses Payable	461.86	610.81
- Others - Provisions for Expense	3,846.27	2,682.87
<b>Total Amount</b>	<b>50,725.18</b>	<b>33,553.40</b>



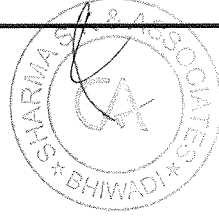
<b>Note : 9 Short Term Provisions</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Provision for Audit Fees	285.00	388.75
Provision for Income Tax	57,220.00	21,820.20
<b>Total Amount</b>	<b>57,505.00</b>	<b>22,208.95</b>
<b>Note :11 Other Non Current Assets</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Unsecured considered good unless stated otherwise		
- Security Deposits	3,860.00	493.98
- Capital Advances - Land	1,100.00	-
- Preliminary Expense	-	2.00
<b>Total Amount</b>	<b>4,960.00</b>	<b>495.98</b>
<b>Note : 12 Inventory</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Inventories (At lower of cost and net realisable value)</b>		
Rawmaterials & Packing Materials	179,812.91	41,617.64
Stock In Process	3,525.65	2,166.72
Finished Goods	18,918.58	6,344.58
Stores, Spares & Fuels	10,827.04	4,618.82
<b>Total Amount</b>	<b>213,084.19</b>	<b>54,747.76</b>



<b>Note: 13 Trade Receivables</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Undisputed trade receivables</b>		
<b>Considered good</b>		
less than six months	318,533.26	176,426.10
between six months to one years	900.59	135.70
between one years to two years	0.93	-
between two years to three years	257.79	471.07
more than 3 years	471.07	-
<b>Total (A)</b>	<b>320,163.64</b>	<b>177,032.88</b>
<b>Considered doubtful</b>		
less than six months	-	-
between six months to one years	-	-
between one years to two years	-	-
between two years to three years	-	-
more than 3 years	-	-
<b>Total</b>	-	-
Less: Provision for doubtful trade receivables	-	-
<b>Total (B)</b>	-	-
<b>Disputed trade receivables</b>		
<b>Considered good</b>		
less than six months	-	-
between six months to one years	-	-
between one years to two years	-	-
between two years to three years	-	-
more than 3 years	-	-
<b>Total (C)</b>	-	-
<b>Considered doubtful</b>		
less than six months	-	-
between six months to one years	-	-
between one years to two years	-	-
between two years to three years	-	-
more than 3 years	-	-
<b>Total (D)</b>	-	-
<b>Total Amount (A+B+C+D)</b>	<b>320,163.64</b>	<b>177,032.88</b>
<b>Note : 14 Cash &amp; Cash Equivalent</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Cash-in-hand:</b>		
Cash-in-hand (as certified by Management)	338.64	26.32
<b>Sub Total (A)</b>	<b>338.64</b>	<b>26.32</b>
<b>Bank Balance:</b>		
Balances in Current/OD Accounts	53,266.15	2,076.79
Balances in Fixed Deposits/Margin Money A/c	88,264.00	62,068.34
<b>Sub Total (B)</b>	<b>141,530.15</b>	<b>64,145.13</b>
<b>Total Amount [ A + B ]</b>	<b>141,868.78</b>	<b>64,171.45</b>
<b>Note :15 Short Term Loans &amp; Advances (Assets)</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>



<b>Unsecured considered good unless stated otherwise</b>		
a) GST INPUT CREDIT	15,817.39	1,754.96
b) TDS/TCS Receivable A/c	1,681.14	331.49
c) Advance Tax Deposited	43,000.00	20,950.00
d) Custom Duty Paid - Advance	3,609.63	-
e) Prepaid Expenses	547.40	399.60
e) Interest Accruals	687.20	722.32
f) Staff Imprest/Advances	1,673.87	51.50
<b>Total Amount</b>	<b>67,016.64</b>	<b>24,209.87</b>





**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**

*Notes forming part of Balance Sheet as at 31st March, 2022*

**Note :16 Revenue from Operations**

(Amount in Thousand, unless otherwise stated)

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
A.	Sale of Products		
	Domestic Sales	1,408,956.46	713,673.46
	Export Sales	149,683.54	40,627.50
B.	Other Operating Revenues :		
	Sale of Scrap	2,505.40	3,941.36
	<b>Total Amount</b>	<b>1,561,145.41</b>	<b>758,242.32</b>

**Note :17 Other Income**

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
	Balances written off	282.63	-
	Exchange Difference - Forex	8,710.57	5,053.06
	Freight on Sales	38.00	-
	Duty Drawback	1,269.04	386.37
	Intt. on L.C F.D.	3,007.93	1,537.80
	OTHER INCOME	684.07	233.17
	RIPS/MLUPY Subsidy	21,212.70	15,966.24
	Profit from Investments	1,645.60	-
	<b>Total Amount</b>	<b>36,850.55</b>	<b>23,176.63</b>

**Note : 18 Cost of Materials Consumed**

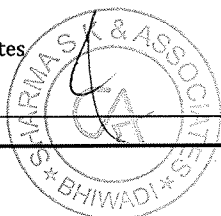
Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
	<b>a) Rawmaterials</b>		
	- Opening Stock	37,248.93	17,848.44
	- Purchases	1,389,259.07	630,417.47
	- Less : Closing Stock	179,812.91	37,248.93
	<b>Total Amount</b>	<b>1,246,695.09</b>	<b>611,016.98</b>

**Note : 19 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

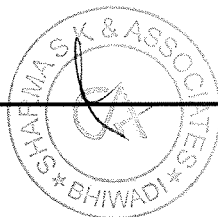
Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
1	<b>Change in inventories of finished goods</b>		
	Opening stock	10,963.41	4,379.99
	Closing stock	29,745.63	10,963.41
	<b>Sub total (a)</b>	<b>(18,782.22)</b>	<b>(6,583.41)</b>
2	<b>Changes in inventories of work-in-progress</b>		
	Opening stock	2,166.72	4,256.80
	Closing stock	3,525.65	2,166.72
	<b>Sub total (b)</b>	<b>(1,358.93)</b>	<b>2,090.08</b>
	<b>Total Amount</b>	<b>(20,141.15)</b>	<b>(4,493.33)</b>

**Note : 20 Employee Benefit Expenses**

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
1	Salary, Wages & Other Benefits	29,544.63	27,352.79
2	Contribution to ESI & EPF (Employer)	2,193.07	1,898.47
3	Gratuity Expense - Staff	1,063.88	-
4	Leave Encashment Expense	1,435.12	-
5	Wages - Contractors	23,607.13	12,183.99
6	Director's Remuneration including Other Perquisites	3,780.00	4,100.00
7	Staff Welfare Expense	372.80	2,263.91
	<b>Total Amount</b>	<b>61,996.62</b>	<b>47,799.16</b>



<b>Note : 21 Finance Cost</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
1	Interest Expenses	11,266.21	10,836.02
2	Bank & Other Financial Charges	3,790.24	3,241.49
	<b>Total Amount</b>	<b>15,056.45</b>	<b>14,077.51</b>
<b>Note : 22 Other Expenses</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
A.	<b>Manufacturing Expenses:</b>		
1	Diesel Expense	1,000.83	679.01
2	Electricity Expenses ( JVVNL)	5,569.85	5,142.53
3	FREIGHT & CARTAGE (INWARD)	45,935.55	11,672.22
4	Import Clearance Expense	10,812.53	6,632.74
5	Other Direct Expense	8,115.31	4,009.71
B.	<b>Selling &amp; Admininstrative Expenses:</b>		
1	Advertisement & Publicity	512.50	55.90
2	Bad Debts Written Off	-	329.65
3	Business Promotion Expense	147.54	714.33
4	Audit Fees	150.00	150.00
5	Charity & Donations	11.30	83.00
6	Discount Expense	5,740.33	1,538.97
7	Legal & Professional Charges	6,514.41	1,334.84
8	Festival Expense	673.71	695.94
9	Freight Outward Expense	10,236.46	9,935.40
10	Rent Expense	208.19	116.15
11	Insurance Expenses	1,181.27	901.91
12	Office Expense	10.08	246.60
13	Postage & Courier Exp	917.15	330.14
14	Prior Period Expense	319.42	-
15	Printing & Stationery Exp.	80.74	31.25
16	Repair & Maintance Exp.	1,521.65	888.65
17	Fee, Rates & Taxes	488.83	560.49
18	RIICO Service Charges	86.05	41.33
19	Round Off	0.51	(1.82)
20	Security Service Expenses	1,632.16	1,403.30
21	Tax Expense A/c	797.54	122.59
21	Telephone & Internet Charges	166.01	142.75
22	Traveling & Conveyance Exp	333.86	378.76
23	Miscellaneous Expense	88.75	207.12
24	Preliminary Exp. w/off	2.00	2.00
25	Interest Expense - Others	2,952.47	471.52
26	Vehicle Running & Maintenance Exp	918.66	547.83
27	Water Expense	31.43	85.47
	<b>Total Amount</b>	<b>107,157.10</b>	<b>49,450.26</b>
<b>Note : 23 Value of Imports on CIF basis</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
1	Value of Imports on CIF basis	1,009,833.32	475,267.25
	<b>Total Amount</b>	<b>1,009,833.32</b>	<b>475,267.25</b>



**Note : 24 Basic/Diluted Earnings per share**

The earning per share has been calculated as specified in Accounting Standard 20 on "Earning Per Share" issued by ICAI and related disclosures are as below :

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
	<b>Profit/(loss) after tax</b>	117,931.45	34,075.51
	Less : Dividends on convertible preference shares & tax thereon	-	-
	Net profit/(loss) for calculation of basic EPS	117,931.45	34,075.51
	Add : dividends on convertible preference shares & tax thereon	-	-
	Add : interest on bonds convertible into equity shares (net of tax)	-	-
	Net profit/(loss) for calculation of diluted EPS	117,931.45	34,075.51
	Weighted average number of equity shares in calculating basic EPS	4,400,000	4,400,000
	<b>Effect of dilution:</b>		
	Convertible preference shares	-	-
	Convertible bonds	-	-
	Stock options granted under ESOP	-	-
	Weighted average number of equity shares in calculating diluted EPS	4,400,000	4,400,000

**Note : 25 Related Party Disclosures**

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
1	<b>Director's &amp; Other Related Parties:</b> Santosh Kumar Yadav Anju Devi KRNCOILS Private Limited		
	<b>Key Management Remuneration :</b> Santosh Kumar Yadav Anju Devi	2,079.00 2,079.00	1,800.00 1,800.00
	<b>Interest on USL to Related Parties:</b> Santosh Kumar Yadav Anju Devi	702.44 1,195.12	50.60 1,782.32
	<b>Loans taken from Related Parties:</b> Santosh Kumar Yadav Anju Devi	11,950.00 4,000.00	10,100.00 -
	<b>Loans repaid to Related Parties:</b> Santosh Kumar Yadav Anju Devi	17,517.78 6,801.00	4,201.41 6,355.83
	<b>Purchase of Raw Material &amp; Components:</b> KRNCOILS Private Limited	3,368.49	-
	<b>Sale of Raw Material &amp; Components:</b> KRNCOILS Private Limited	4,954.50	-
	<b>Sale of Finished Goods:</b> KRNCOILS Private Limited	167,865.61	3,731.67
	<b>Outstanding Balances Dr./ (Cr.)</b> KRNCOILS Private Limited	57,646.10	3,751.67

a) Related party relationship is as identified by the company and relied upon by the auditor.

b) Only those related parties have been disclosed with whom there were related party transaction during the year



<b>Note : 26 Other Disclosures</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
1	Auditor's Remuneration : - Statutory Audit Fee - Tax Audit Fee	100.00 50.00	100.00 50.00
2	To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprise as defined in the said Act. However no such confirmations were received. Where balance confirmations are not received, the creditors balances are subject to balance confirmation.		

**Note 27 - Deferred tax liabilities and assets**

In accordance with the Accounting Standard (AS) 22 'Accounting for Taxes on Income' specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the Companies Act 2013, as applicable, deferred tax assets have been recognized only to the extent of deferred tax liability, in absence of virtual certainty of future taxable profits.

<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
	<b>Deferred tax assets</b>		
	Difference between book and tax depreciation	-	-
	Disallowances u/s 43B of the Income Tax Act, 1961	978.94	668.95
	Unabsorbed depreciation and carry forward losses	-	-
		<b>978.94</b>	<b>668.95</b>
	<b>Deferred tax liabilities</b>		
	Difference between book and tax depreciation	(2,072.49)	(3,040.82)
	Disallowances u/s 43B of the Income Tax Act, 1961	-	-
	<b>Deferred tax Liab./ (assets) recognised during the year</b>	<b>(1,093.55)</b>	<b>(2,371.87)</b>

**Note 28 : Segment Reporting**

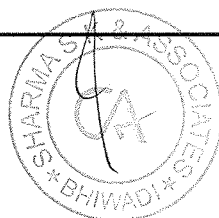
As per Accounting Standard (AS) 17 on "Segment Reporting", the company is dealing in one segment only , hence not reported separately.

**Note 29 : Contingent Liabilities and Commitments**

<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended March 31,2022</b>	<b>Year Ended March 31,2021</b>
	(To the extent not provided for)	-	-
	(a) Claims against the Co. not acknowledged as debts	-	-
	(b) Guarantees	-	-
	<b>Total Amount</b>	<b>-</b>	<b>-</b>

**Note 30:**

The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



**Note 31 Ratio Analysis:**

Sr. No	Particulars	Year Ended March 31,2022	Year Ended March 31,2021
<b>Ratios :</b>			
1	Current Ratio, Remarks for Change : N/A (due to change is not more or less than 25% criteria)	1.27	1.11
2	Debt-Equity Ratio, Remarks for Change : N/A (due to change is not more or less than 25% criteria)	3.06	3.54
3	Debt Service Coverage Ratio, During the financial year, Earnings available for Debt-service is increased by 167% due to increase in profitability of company.	0.01	0.00
4	Return on Equity Ratio, During the financial year, Net Profit after taxes is increased by 246%, and no additional equity capital introduced. So ratio is increased this much of quantum.	0.66	0.29
5	Inventory turnover ratio, During the financial year, Sales Revenue is increased by 106% due to increase in inventory holding of company and ratio is changed.	11.66	16.77
6	Trade Receivables turnover ratio, During the financial year, Sales Revenue is increased by 106% due to increase in trade receivables of company and ratio is changed.	6.28	4.93
7	Trade payables turnover ratio, During the financial year, Sales Revenue and purchases is increased by 106% and 117% respectively, due to increase in trade payables of company and ratio is changed.	8.63	3.24
8	Net capital turnover ratio, During the financial year, Sales Revenue is increased by 106% due to increase in working capital of company and ratio is changed.	12.31	66.74
9	Net profit ratio, During the financial year, Sales Revenue is increased by 106%. due to decrease in employee cost by 2.33% and other savings in fixed overheads, increased other income, ratio is changed.	0.08	0.04
10	Return on Capital employed, During the financial year, Net Profit after taxes is increased by 246%, and no additional equity capital introduced. So ratio is increased this much of quantum.	0.50	0.26
11	Return on investment.	NA	NA
* The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.			

**Note 32 Registration of charges or satisfaction with Registrar of Companies:**

The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

**Note 33 : Additional Regulatory Disclosures :**

- a) No proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder.
- b) The company does not have any borrowings from Banks or financial institutions on the basis of security of current assets at any point of time of the year.
- c) The company is not declared as a willful defaulter by any Bank or financial institution or any other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- d) The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- e) The company does not have any borrowed funds and share premium which has been advanced or loaned or invested to any other persons, entities including foreign entities.
- f) With regard to the company, no scheme of arrangements has been approved by the competent authority in term of section 230 to 237 of the Companies Act, 2013.



g) No transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts

h) Provisions of Section 135 of the Companies Act 2013 related to CSR are not applicable to the company.

i) There are no title deeds which is not held in the name of the company.

j) During the year, no revaluation of any Property, Plant and Equipment.

k) There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties.

l) Ageing for Capital Work in Progress is not applicable for the year. Since company does not have CWIP.


m) There is no intangible assets under development. Since company does not have Intangible assets under development.


n) As there are no investments made by the Company, provisions of Section 2(87) of Companies Act, 2013 are not applicable.

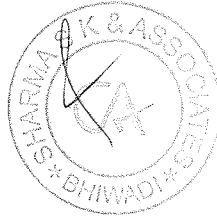
**Note 34:**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification/ disclosure.

For and on behalf of the Board of Directors  
KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

  
(Santosh Kumar Yadav)  
(Director)  
DIN : 07789940

  
(Anju Devi)  
(Director)  
DIN : 06858442



**KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED**  
Note of Fixed Asset as per Companies Act, 2013

(Amount in Thousand, unless otherwise stated)

**Fixed Assets**

**Notes 10 : Depreciation on Fixed Assets**

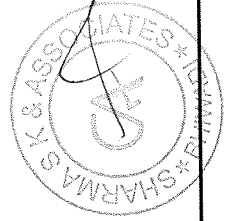
Sl. No.	Particulars	Useful Life in Years	Gross Block			Depreciation			Net Block As at 31.03.2022
			Opening as at 01-04-2021	Additions	Deletion	Balance as at 31.03.2022	Balance as at 01-04-2021	For the year	
<b>I</b>	<b>Tangible Assets</b>								
	LAND (Leashold)		37,248.28	84.11	-	37,332.39	665.81	350.73	1,016.54
	FACTORY BUILDING	20	30,269.67	847.46	-	31,117.13	26.81	20.78	47.59
	PLANT & MACHINERY	10	120,191.17	7,060.17	-	127,251.34	15,213.77	11,881.94	27,095.71
	TOOLS & DIES	3	33,468.82	3,331.69	-	36,800.51	13,977.00	8,413.19	22,390.19
	ELECTRIC INSTALLATION	8	2,734.71	2,021.00	-	4,755.71	666.99	406.11	1,073.09
	FURNITURE & FIXTURE	10	1,499.65	385.66	-	1,885.31	217.97	179.00	396.97
	COMPUTERS	3	759.77	984.62	-	1,744.38	272.23	245.36	517.59
	VEHICLES	8	4,544.42	9,166.47	-	13,710.89	1,059.71	1,055.14	2,114.84
	OFFICE EQUIPMENTS	5	1,399.17	1,830.08	-	3,229.25	308.81	451.58	760.38
	SOLAR PLANT	15	14,713.02	-	-	14,713.02	10.21	931.82	942.04
	<b>Total (Current Year)</b>		<b>246,828.67</b>	<b>25,711.25</b>	<b>-</b>	<b>272,539.92</b>	<b>32,419.30</b>	<b>23,935.64</b>	<b>56,354.95</b>
	<b>Total (Previous Year)</b>		<b>108,520.81</b>	<b>138,307.86</b>	<b>-</b>	<b>246,828.67</b>	<b>16,060.02</b>	<b>16,359.29</b>	<b>32,419.30</b>
<b>II</b>	<b>Assets under Capitalisation:</b>								
	Building		-	-	-	-	-	-	-
	Plant & Machinery		-	-	-	-	-	-	-
	<b>Total (Current Year)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (Previous Year)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III</b>	<b>Intangible Assets:</b>								
	Pre-operative Expenses		-	-	-	-	-	-	-
	<b>Total (Current Year)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (Previous Year)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (Current Year)</b>		<b>246,828.67</b>	<b>25,711.25</b>	<b>-</b>	<b>272,539.92</b>	<b>32,419.30</b>	<b>23,935.64</b>	<b>56,354.95</b>
	<b>Grand Total (Previous Year)</b>		<b>108,520.81</b>	<b>138,307.86</b>	<b>-</b>	<b>246,828.67</b>	<b>16,060.02</b>	<b>16,359.29</b>	<b>32,419.30</b>

**Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD) (Amount in Rs.)**

CWIP/ITAUD	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**iv) Capital-Work-in Progress (CWIP)/ITAUD whose completion is overdue (Amount in Rs.)**

CWIP/ITAUD	To be completed in			
	Less than 1 Year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-



KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED										
S. No.	Particulars	Items included in numerator		Items included in denominator		RATIO (%)		Change in ratio as compared to preceding year	(Amount in Thousand, unless otherwise stated)	
		Item Name	Value 31st March 2022	Value 31st March 2021	Item Name	Value 31st March 2022	Value 31st March 2021		As at 31st March, 2022	As at 31st March, 2021
1	Current Ratio	Current Assets (BS Group)	742,133	320,162	Current Liabilities (BS Group)	583,714	287,283	1.27	1.11	14%
2	Debt- Equity Ratio	Total Debt	725,873	417,275	Shareholder's Equity (Sum of Note 2 & 3)	237,406	117,792	3.06	3.54	-14%
3	Debt Service Coverage Ratio	Earnings available for debt service (EBIT+Dep.)	198,498	74,404	Debt Service	18,999,188	25,802,645	0.01	0.00	262%
4	Return on Equity (ROE)	Net Profits after taxes	117,931	34,076	(Intt.+ Repayment of Principal)	177,599	118,703	0.66	0.29	131%
5	Inventory Turnover Ratio	Cost of goods OR sales (Note 9)	1,561,145	758,242	Average Inventory 1/2 of (Opening & Closing stock)	133,916	45,202	11.66	16.77	-31%
6	Trade receivables turnover ratio	Net Credit Sales (Note 9)	1,561,145	758,242	Average Accounts Receivable 1/2 of (Opening & Closing receivable)	248,598	153,766	6.28	4.93	27%
7	Trade payables turnover ratio	Net Credit Purchases	1,389,259	630,417	Average Trade Payables 1/2 of (Opening & Closing payable)	161,038	194,511	8.63	3.24	166%
8	Net capital turnover ratio	Net Sales (Note 9)	1,561,145	758,242	Average Working Capital (Current asstes- Current Liability)	126,858	11,361	12.31	66.74	-82%
9	Net profit ratio	Net Profits after taxes	117,931	34,076	Net Sales (Note 9)	1,561,145	758,242	0.08	0.04	68%
10	Return on capital employed (ROCE)	Earning before interest and taxes	174,562	58,045	Capital Employed (Eq. Capital + R&S + Long Term Liab.)	348,003	226,267	0.50	0.26	96%
11	Return on Investment	Return on Investment	-	-	Investments	-	-	NA	NA	NA

For and on behalf of the Board of Directors  
KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

*Anju*

(Anju Devi)  
(Director)  
DIN : 06858442

*Santosh*

(Santosh Kumar Yadav)  
(Director)  
DIN : 07789940

For Sharma S K & Associates  
(Chartered Accountants)  
FRN: 021227C  
Satish Kumar Sharma  
(Prof.)  
Place: Bhiwadi  
Dated: 02-09-2022  
UDIN : 22513183ATWSXH3662



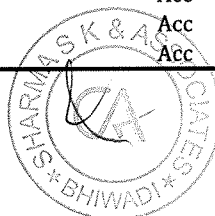
## Sundry Debtors

KRN Heat Exchanger &amp; Refrigeration Pvt Ltd

(Amount in Thousand, unless otherwise stated)

At the End of : 31-03-2022

Sl. No.	Particulars	Type	Closing Balance	
			Debit	Credit
1	A GROUP S.P.A.	Acc	5,809.85	
2	AAVID THERMALLOY INDIA PRIVATE LIMITED	Acc	212.15	
3	Advance Cooling Systems Pvt Ltd	Acc	8,182.58	
4	Alius Design Pvt Ltd	Acc	471.07	
5	B MEDICAL SYSTEMS S.A R.L	Acc	1,165.96	
6	BLUE STAR LIMITED - BHIWANDI	Acc	3,637.76	
7	BLUE STAR LIMITED - CHENNAI	Acc	1,868.62	
8	BLUE STAR LIMITED - INDORE	Acc	1,808.51	
9	BLUE STAR LIMITED - Kerala	Acc	1,891.64	
10	BLUE STAR LIMITED - LUCKNOW	Acc	920.80	
11	BLUE STAR LIMITED - NAGPUR	Acc	1,843.20	
12	BLUE STAR LIMITED - Punjab	Acc	1,446.29	
13	BLUE STAR LIMITED - VIJAYWADA	Acc	1,502.57	
14	Carrier Airconditioning & Refrigeration	Acc	1,649.49	
15	Citizen Industries Ltd.	Acc	4,609.23	
16	Climatrol Corporation	Acc	1,515.17	
17	Cruise Electric Pvt Ltd	Acc	2,095.58	
18	DAIKIN AIRCONDITIONING INDIA PVT. LTD.	Acc	26,447.99	
19	Eberspaecher Suetrak Bus Climate Control	Acc	2,444.00	
20	EMERSON CLIMATE TECHNOLOGIES FZE	Acc	63.26	
21	Godrej & Boyce MFG Co Ltd Appliances	Acc	14,815.85	
22	Hindustan Aircon Pvt. Ltd.	Acc	50.58	
23	Kabu Projects Pvt. Ltd.	Acc	3,738.72	
24	Kirloskar Chillers Pvt Ltd	Acc	1,274.89	
25	KKI Power Drives Private Limited	Acc	0.50	
26	Knorr-Bremse India Private Limited	Acc	396.64	
27	KRNCOILS PRIVATE LIMITED	Acc	57,646.10	
28	M Chill Industries	Acc	3,256.01	
29	MEKAR AIR HANDLING UNITS LLC	Acc	22,058.36	
30	NARAIN COOLING TECHNOLOGIES (P) LTD	Acc	85.53	
31	NU-VU CONAIR PVT LTD	Acc	1,709.70	
32	Prasad GWK Cooltech Pvt Ltd.	Acc	9,294.92	
33	Radius Auto Engineering	Acc	212.48	
34	Reycor India Services	Acc	106.52	
35	Reynold India Pvt Ltd (Haridwar)	Acc	3,435.20	
36	Reynold India Pvt Ltd (Noida)	Acc	656.59	
37	Schneider Electric IT Business India Pvt	Acc	13,536.06	
38	Schneider Electric IT Business(I)Pvt Ltd	Acc	113.42	
39	SIROCO HVAC INDIA PVT LTD	Acc	0.67	
40	Star Cool Refrigeration&Air Conditioning	Acc	92.58	
41	Stesalit Limited	Acc	610.81	
42	Stesalit Limited (H.P.)	Acc	7,867.34	
43	Subros Limited	Acc	1,782.38	
44	SWEGON BLUE BOX PVT. LTD.	Acc	8,169.74	
45	Tecumseh Products India Private Limited	Acc	3,770.96	
46	Trans ACNR Solutions Pvt Ltd	Acc	37,174.37	
47	Trosten Industries Company LLC	Acc	29,889.78	
48	VOLTAS LIMITED - (Vadodara)	Acc	0.93	
49	VOLTAS LIMITED (HR.)	Acc	336.89	
50	VOLTAS LIMITED- UPBG Mnfg.	Acc	4,254.94	
51	Werner Finley Pvt. Ltd. (Unit-2)	Acc	7,500.22	
52	Werner Finley Pvt. Ltd. (Unit-3)	Acc	221.68	

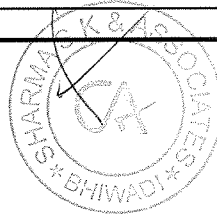


**Add: Advances to Suppliers:**

1 Alcha (Shanghai) International Tradi	Acc	55.27
2 AM Engineering Works	Acc	168.38
3 AMBER ENTERPRISES INDIA LTD. (HR.)	Acc	38.50
4 BAJAJ FINANCE	Acc	24.09
5 BRALCOM (INDIA)	Acc	25.78
6 Container Corporation of India Limited	Acc	133.79
7 Creative Craft Packaging	Acc	10,041.37
8 EBM-papst India Private Limited	Acc	103.50
9 FEDBANK FINANCIAL	Acc	22.63
10 Hi Tech Springs & Engineers	Acc	0.20
11 Indian Society of Heating Refrigerating	Acc	28.75
12 JINDAL ALUMINIUM LIMITED	Acc	5.91
13 KABB Certifications	Acc	23.60
14 MSME Technology Centre Bhiwadi	Acc	359.90
15 MT PACKAGING	Acc	21.93
16 NV METAL INDUSTRIES	Acc	251.47
17 NXTEK YANTRA PRIVATE LIMITED	Acc	530.31
18 Oxyzo Financial Services Pvt. Ltd.	Acc	63.72
19 QINGDAO DADONG AUTOMATION TECHNOLOGY CO.	Acc	462.44
20 QVC CERTIFICATION SERVICES PRIVATE LIMIT	Acc	0.88
21 RASHMI SINHA	Acc	28.00
22 Reta Machine Co. Ltd.	Acc	109.92
23 Shanghai Time-proof Riverting Tools	Acc	262.82
24 Sparkh Engineers & Technologies	Acc	10.72
25 SUNIL RUPANI	Acc	80.00
26 Taizhou Double Winners Copper Co., Ltd	Acc	3,032.40
27 TATA STEEL DOWNSTREAM PRODUCTS LIMITED	Acc	9.80
28 UNIVERSAL MATERIAL DEVELOPMENT	Acc	42.46
29 VI.BA SRL	Acc	559.84
30 WUXI SIP INDUSTRY CO. LTD.	Acc	18.19

**Grand Total****320,164**

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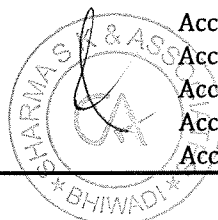


*Sundry Creditors***KRN Heat Exchanger & Refrigeration Pvt Ltd**

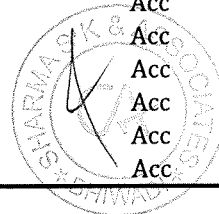
(Amount in Thousand, unless otherwise stated)

At the End of : 31-03-2022

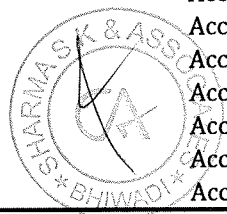
Sl. No.	Particulars	Type	Closing Balance	
			Debit	Credit
1	A B Enterprises	Acc		16.60
2	AAYU LOGISTICS PVT LTD	Acc		192.57
3	ABHI ENTERPRISES	Acc		38.47
4	Abhinandan Associates	Acc		159.24
5	ACCURATE CONNECTING SYSTEMS PVT LTD	Acc		19.65
6	Accurate Freight Carriers Pvt Ltd	Acc		207.63
7	Adhunik Engineering Works	Acc		165.72
8	ADVANCE DYNAMIC SOLUTIONS PVT. LTD	Acc		32.80
9	ADVANCE ELECTRICALS	Acc		21.48
10	AEROSHIP LOGISTICS PVT. LTD	Acc		3,151.75
11	Air Liquide North India Pvt. Ltd.	Acc		374.19
12	Airmen Engineers & Services (P) Ltd.	Acc		59.47
13	AJ Engineering Solutions	Acc		42.57
14	AKSHAY ENTERPRISE	Acc		154.76
15	Alcom Nikkei Specialty Coatings SDN	Acc		18,308.67
16	Aluminium Company of Malaysia Behra	Acc		16,713.31
17	Amapai Corporation India Pvt. Ltd.	Acc		1,609.74
18	ANY GRAPHICS PRIVATE LIMITED	Acc		6.72
19	Aradhya Computer	Acc		7.08
20	Ashok & Brothers	Acc		290.16
21	ATEQ SYSTEMS ANALYTIC INDIA PVT LTD.	Acc		103.60
22	BABA KHETANATH TRANSPORT COMPANY	Acc		71.78
23	BALAJI ENGINEERING WORKS	Acc		176.94
24	Balaji Metal & Hardware Store	Acc		2.65
25	BALAJI TOOLING	Acc		316.76
26	Bbcc Enterprises	Acc		5.94
27	Beeco Storage Systems	Acc		29.50
28	Bhagwat Pest Mortem	Acc		4.48
29	BIO COPPER PVT LTD	Acc		1,444.10
30	BSP LOGISTICS PRIVATE LIMITED	Acc		5,326.17
31	Care Container Lines Pvt Ltd	Acc		5,795.22
32	Chembond Material Technologies Private L	Acc		189.71
33	Continental Cooling Company	Acc		2.36
34	COOL LINK SERVICES	Acc		817.72
35	Devashree Industries	Acc		6.02
36	Dhillon Goods Transport Log. Pvt. Ltd.	Acc		182.84
37	DHL EXPRESS (INDIA) PVT. LTD.	Acc		66.01
38	Diksha Enterprises	Acc		38.28
39	Distil Education & Technology Pvt. Ltd.	Acc		139.57
40	DIVYA ENTERPRISES (DTDC)	Acc		37.13
41	DRV TECH SERVICES	Acc		45.29
42	E-Durables	Acc		54.00
43	EMPIRE FASTENERS	Acc		7.43
44	Engicore Technologies Private Limited	Acc		37.62
45	ESS KAY FABRICATIONS	Acc		419.91
46	EXIM SOLUTIONS	Acc		7.84
47	Ferraria Metal Industries LLP	Acc		60.66
48	G. K. Industrial Solution	Acc		32.88
49	Ganesham Electronics & Furniture	Acc		38.35
50	Ganpati Hardware & Tools Store	Acc		4.96
51	Ganpati Hydraulic Solutions	Acc		31.47
52	Global Coil Solutions	Acc		281.45



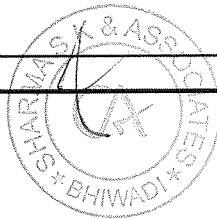
53 Global Engineers & Contractors	Acc	128.80
54 Gourav Enterprises	Acc	34.74
55 Grace Industries	Acc	126.57
56 GUPTA TRADING COMPANY	Acc	17.70
57 Guru Saksham Enterprises	Acc	412.86
58 HARDCASTLE PETROFER PVT LTD (Gujarat)	Acc	1,844.44
59 Hari Shakti Enterprises	Acc	73.22
60 Himanshi Technologies	Acc	60.89
61 Hindalco Industries Limited	Acc	167.22
62 Hindustan Foams And Packaging Industries	Acc	153.17
63 Hong Kong Hailiang Metal Trading Ltd	Acc	41,091.14
64 Hongkong Maytime International Industry	Acc	94,636.13
65 Hotel Aju Palace	Acc	43.19
66 Hotel Ashoka Palace	Acc	14.13
67 HOTEL SUNMARKS	Acc	8.75
68 INDIA SEAH PRECISION METAL P. LTD (RAJ.)	Acc	1,581.74
69 Industrial Equipment Company	Acc	23.19
70 Industrial Metal Corporation	Acc	68.36
71 Industrial Product Mfg Co	Acc	1.97
72 INDUSTRIAL SALES	Acc	21.36
73 INNOVATIVE POLYMERS	Acc	4.89
74 Instaa Tool	Acc	8.98
75 J PAN Tubular Components Pvt. Ltd.(U-VI)	Acc	855.10
76 Jai Durga Alloys Industries	Acc	5,552.53
77 JDM JingDa Machine (Ningbo) Co. Ltd	Acc	1,141.74
78 JINDAL STAINLESS STEELWAY LIMITED	Acc	17.68
79 K. S. HOME SOLUTIONS	Acc	0.39
80 Kabeer Infotech Systems India Pvt Ltd	Acc	225.02
81 Kailash Gas Agency	Acc	1,372.27
82 Kali Enterprises	Acc	45.06
83 KAPIL COMPUTER	Acc	6.31
84 KBS LOGISTICS	Acc	91.38
85 Khandelwal Packaging	Acc	319.02
86 Khandelwal Power Control	Acc	100.64
87 KI PACKERS AND MANUFACTURING WORKS	Acc	346.04
88 KINGSTON ALLOYS	Acc	957.61
89 Koolking Udhyog Pvt. Ltd.	Acc	841.06
90 Koolking Udhyog Pvt. Ltd. (Unit-II)	Acc	44.30
91 Lakha Traders	Acc	22.54
92 Lakshay Steel	Acc	978.21
93 LATEST PRINTERS	Acc	5.03
94 LEYBOLD INDIA PRIVATE LIMITED	Acc	85.64
95 LS Metal VINA LLC	Acc	64,212.40
96 Lucky Coppier System	Acc	23.49
97 Magnum MI Steel Pvt Ltd	Acc	53.60
98 MAHAVEERA TRANSPORT PRIVATE LIMITED	Acc	47.30
99 MANGLAM TECHNOCRATE	Acc	146.46
100 Max Aluminium Co Ltd	Acc	6,625.62
101 Mercure Metals And Alloys Private Limite	Acc	651.94
102 Metal Sales Manufacturing Co. Pvt. Ltd.	Acc	75.15
103 Mettube International SDN, BHD	Acc	29,141.15
104 MISTCOLD SALES & SERVICES PVT. LTD.	Acc	11.34
105 MITULDEEP TRADING CORPORATION	Acc	439.99
106 MJY Industries	Acc	17.71
107 MODI REFRIGERATION COMPANY	Acc	6.48
108 MOJO TOOLS & TRADING INDIA PRIVATE LIMIT	Acc	228.12
109 Movex Cargo Pvt. Ltd.	Acc	7.19



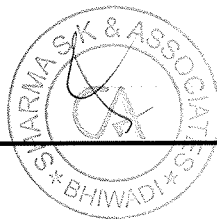
110 MRB GROUP	Acc	5.61
111 MSD TECHNOLOGIES	Acc	59.33
112 Murliwala Enterprises	Acc	87.70
113 MY CHOICE SERVICES & SOLUTIONS	Acc	63.20
114 NATIONAL INSURANCE CO. LTD.	Acc	36.51
115 Newar Metals (P) Ltd.	Acc	196.46
116 Nisha Transport Co.	Acc	1,906.85
117 NISHIKAWA PACKAGING INDUSTRIES	Acc	311.67
118 NITTO DENKO INDIA PVT LTD	Acc	66.52
119 OASIS CONNECTIVITY PRIVATE LIMITED	Acc	4.99
120 Om Logistics Ltd.	Acc	338.15
121 OM Manpower Services	Acc	1,267.52
122 Orchid Container Lines Pvt Ltd	Acc	56.40
123 Panwar Special Gases	Acc	30.44
124 Parshva Trading Corporation	Acc	0.89
125 POSCO India Processing Center Private Li	Acc	9,287.16
126 POWER TECH SOLUTION	Acc	28.14
127 Prince Enterprises (R)	Acc	2,073.41
128 Printo Tech India	Acc	0.12
129 Pritam Crane Service	Acc	21.54
130 QCD ENGINEERING INDIA PVT LTD.	Acc	505.83
131 RAJASTHAN HARDWARE & TOOLS	Acc	1,244.88
132 RAO CARGO SERVICE	Acc	418.28
133 RITIK TOUR & TRAVELS	Acc	42.56
134 RITIKA SARAS	Acc	37.63
135 Riyal Engineering	Acc	66.60
136 ROBOT INTERNATIONAL	Acc	54.58
137 ROYAL STATIONERY MART	Acc	45.84
138 ROYAL TRADING COMPANY	Acc	256.30
139 RR Enterprises	Acc	3.99
140 S P Logistics	Acc	254.63
141 S.D. AIRCON ENGINEERS	Acc	125.20
142 SAFE A&T TECHNOLOGY PRIVATE LIMITED	Acc	0.59
143 Safe Refrigerations (P) Limited	Acc	57.35
144 Sai Scientific Suppliers	Acc	9.15
145 SAMY ENGINEERING WORKS	Acc	60.87
146 Saru Silver Alloys Pvt Ltd	Acc	2,429.79
147 SATYAM METALS	Acc	31,309.10
148 Secure Pack Industries	Acc	365.42
149 Shakti Pneumatics	Acc	13.87
150 Shakti Transmission Products Pvt Ltd	Acc	60.48
151 Sharma S K & Associates	Acc	595.34
152 Shiv Shakti Enterprises	Acc	1,999.72
153 SHREE DEEP PRECISION	Acc	29.22
154 SHREE RADHEY COMPUTER SRCS SOLUTION	Acc	3.32
155 Shri Balaji Enterprises	Acc	2.60
156 Shri Sai Manufacturing	Acc	103.23
157 Shyam Electrical	Acc	3.19
158 SINGHAL SHEETS & FOILS PVT. LTD.	Acc	16,138.34
159 SMEET INDUSTRIES	Acc	67.97
160 SNG Tubing And Coils Solution	Acc	3,724.74
161 Soni Devi Memorial Hospital	Acc	27.45
162 SONYSALES PACKAGING INDIA PVT LTD	Acc	87.95
163 STATE ENTERPRISES	Acc	351.50
164 Sultan Enterprises	Acc	6.51
165 SUNFROST REFRIGERATION	Acc	5.59
166 SUNRAJ INDUSTRIES	Acc	513.00



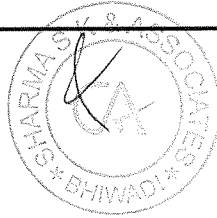
167 Super Star Translogistics LLP	Acc	542.52
168 Suraj Engineering Works	Acc	59.00
169 Synaty Automotive Private Limited	Acc	199.23
170 Tanupp India	Acc	2.24
171 The Bhartiya Sainik Security Service	Acc	34.18
172 Tirupati Engineers & Traders	Acc	4.42
173 Tirupati Industrial Packaging Solutions	Acc	11.30
174 UNITED LAB	Acc	2.07
175 V. K. Oil & Chemicals	Acc	16.52
176 Vedanta Copper Extrusion Pvt Ltd	Acc	4,679.21
177 Venus Global Logistics	Acc	123.92
178 Vinita Enterprises	Acc	630.36
179 Vishkarma Enterprises	Acc	596.74
180 VOLTAS LIMITED (DELHI)	Acc	132.92
181 XPERTPACK TRANSPORT PACKAGING Pvt. Ltd	Acc	73.11
182 YADUWANSHI TRADING CO	Acc	51.61
183 YES Computer & Printers Point	Acc	5.03
184 YHM ( Huangshan ) Co Ltd	Acc	1,355.73
185 Yuvashakti Foundation	Acc	277.61
186 YUWAAN ENTERPRISES	Acc	196.62
187 Zenco Industries	Acc	1,162.78
188 Zhongshan OMS Trading Co. Ltd.	Acc	2,563.25
<b>Add: Advances from Customers:</b>		
1 Advanced Airconditioning Systems	Acc	400.34
2 EPACK DURABLE PRIVATE LIMITED	Acc	23,886.54
3 Frigoglass India Pvt Ltd	Acc	0.79
4 Jai Tulsi Refrigeration	Acc	249.34
5 Mark Tech Polymers Pvt Ltd	Acc	6.97
6 Pluss Advanced Technologies Pvt. Ltd.	Acc	17.10
7 Rishi Cool Enterprises	Acc	150.45
8 RSI Switchgear Pvt Ltd	Acc	19.81
9 S.K.M Air Conditioning LLC	Acc	8.64
10 Sidwal Refrigeration Industries Pvt. Ltd	Acc	1,202.19
11 Sphere Thermal Systems Pvt Ltd.	Acc	0.39
12 VOLTAS LIMITED- AC Plant	Acc	14.09
<b>Grand Total</b>		<b>428,112.26</b>



<i>Secured Loans</i>			
<b>KRN Heat Exchanger &amp; Refrigeration Pvt Ltd</b>			
At the End of : 31-03-2022			
Sl. No.	Particulars	Closing Balance	
		Debit	Credit
1	MERCEDES LOAN NO. 122742538 - HDFC BANK		7,968.42
2	SBI Jeep Car Loan No.38016534955		1,098.97
3	SBI TERM LOAN - SOLAR		8,674.58
4	TERM LOAN - HDFC BANK (NEW PLANT)		49,430.19
5	TERM LOAN - HDFC BANK LTD -I		11,976.91
6	TERM LOAN - HDFC BANK LTD-II		8,128.65
7	TERM LOAN ECLGS - HDFC BANK LTD -I		4,713.03
8	TERM LOAN ECLGS - HDFC BANK LTD-II		28,800.00
9	TERM LOAN ECLGS- SBI-III		2,515.71
10	VEHICLE LOAN - HDFC BANK A.C NO.66875398		214.45
<b>Total</b>		<b>-</b>	<b>123,520.91</b>
<i>Other Current Liabilities</i>			
<b>KRN Heat Exchanger &amp; Refrigeration Pvt Ltd</b>			
At the End of : 31-03-2022			
Sl. No.	Particulars	Closing Balance	
		Debit	Credit
1	Audit Fee Payable A/c		135.00
2	Bonus Exp. Payable		768.45
3	Electric Power Payable		461.86
4	Intt. Exp. MSME Payable		1,997.06
5	Intt. Payable USL - Anju Devi		1,033.99
5	Leave Encashment Payable		2,100.89
6	LTA & Medical Payable A/c		133.56
7	Provision for Audit Fees		150.00
8	Provision for Grauity		1,063.88
9	Provision for I T AY. 2021-22		10,761.69
10	Salary Payable		1,225.65
11	Stipend Payable		418.51
12	Wages Payable		1,554.14
13	Provision for Exp.		815.22
14	E.S.I.C.Payable		43.88
15	P F PAYABLE		398.75
16	P.F Liab. Exp.		117.90
17	TCS Payable on Sales- 206C (1H)		37.70
18	TDS (Interest from a NonBanking Co)		310.45
19	TDS (Rent of Plant & Machinery)		2.98
20	TDS DEDUCTON ON INTT.		3.24
21	TDS on Purchase u/s 194Q		48.71
22	TDS Payable - Contractors (94C)		366.62
23	TDS Payable - Professional- 94 J		109.54
24	TDS Payable - Salary 92B		739.49
25	TDS Professional Sec. 195		36.87
26	GST RCM Payable		1,888.33
27	GST Input Receivable	15,817.39	



<b>Total</b>		<b>15,817.39</b>	<b>26,724.38</b>
<i>Bank Accounts</i>			
<b>KRN Heat Exchanger &amp; Refrigeration Pvt Ltd</b>			
At the End of : 31-03-2022			
Sl. No.	Particulars	Closing Balance	
		Debit	Credit
1			
2	HDFC BANK LTD. C/A.C NO. 5925	51,887.28	
3	HDFC BANK LTD. A/C NO.50200049145179	7.83	
4	HDFC USD A/C NO. 50200049258000	1,024.83	
	SBI C.A. - NEW A/C	346.21	
<b>Total</b>		<b>53,266.15</b>	<b>-</b>





# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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## 1. Basis of Accounting and Preparation of Financial Statements

### A. Corporate Overview

KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED (The "Company"), was incorporated on 25<sup>th</sup> August 2017 under the Companies Act, 2013.

The registered office of the Company is situated at Flat No. 1004, Block B, 10th Floor, Sky View Apartments, Bhiwadi, Distt Alwar, (Raj.) - 301019.

### B. Basis of preparation of accounts

The Company has prepared its financial statements in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (here in after referred as "The Rules") and the relevant provisions of The Act, to the extent notified.

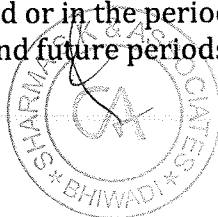
The financial statements have been prepared under the historical cost convention (except certain Property, Plant and Equipment which are revalued) on an accrual basis, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use with those of the previous year.

### C. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principle (GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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## **a. Property, Plant and Equipment**

Property, Plant and equipment are carried at cost of acquisition less accumulated depreciation and impairment loss, if any adjusted by revaluation of certain assets at current replacement cost. Cost is inclusive of freight, applicable duties, taxes and other directly attributable costs to bring the assets to their working condition /for intended use as prescribed Cost Model in Accounting Standard (AS) 10 of The Rules.

Expenditure incurred during construction period is included under capital work in progress and the same is allocated to the respective Property, Plant and Equipment on completion of the construction.

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/construction of qualifying Property, Plant and equipment are capitalized up to the date when such assets are ready for its intended use & other borrowing costs are charged to the Statement of Profit & Loss.

Useful lives of the tangible assets are based on the life prescribed in Schedule II of the Companies Act 2013. Assumptions are also made, when company assesses, whether an asset may be capitalised and which components of the cost of the assets may capitalised.

## **b. Provision for Contingencies**

Provision for expense related liabilities is made on the basis of Management judgement and estimation for possible outflow of resources (if any).

Contingencies/claim/litigations against the Company: Contingent Liabilities are generally not provided for in the accounts and are separately shown in the Notes on accounts.

## **D. Current/Non-current classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the terms of billing and their realisation of in cash and cash equivalents, the company has ascertained its normal operating cycle as 12 months.

## **2. Significant Accounting Policies**

### **A. Property, plant and equipment**

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, when significant part of the property, plant and equipment are required to replace at intervals, the company derecognized the replaced part and recognized the new parts with its own



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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associated useful life and it depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposed. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

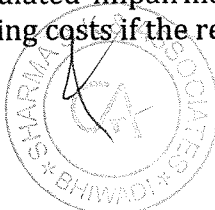
## B. Inventories

Inventory includes raw material, work in progress, finished goods and stock in trade.

- a) Raw material and traded goods are values at lower of cost or net realisable value. However, raw material is valued at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average method is used.
- b) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
- c) The comparison of cost or net realisable value is made on item by item basis.
- d) Stock of Finished Goods and Work in Progress are valued at lower of cost or net realizable value and cost is determined by taking material, labour and related overheads
- e) Scrap is valued at net realizable value.

## C. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs if the recognition criteria are met.



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

Long-term investments are stated at cost. Provision for diminution in the value of Long-Term investment is being made only if such decline is of other than temporary in nature in the opinion of management. Current investments are stated at lower of cost or fair value.

## Intangible Assets

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under AS-26 – Intangible Assets.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

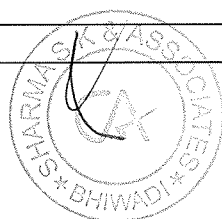
## Depreciation and Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Based on technical evaluation carried out by management, depreciation on fixed assets has been provided on the Straight line method as per the useful life and residual value prescribed Schedule II to the Companies Act, 2013. Residual value has been assessed at 5% of cost of the assets.

Depreciation and amortization on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortization on sale/ discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.

Individual assets costing Rs. 5,000 or below are depreciated/ amortized in full in the year of purchase. Depreciation/ Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation/ amortization period is changed accordingly

Asset	Use full life
Factory Building	20 years
Plant & machinery (computers)	3 years
Plant & machinery (tools & dies)	3 years
Plant & machinery (solar plant)	15 years
Plant & machinery (electric installation)	8 years
Plant & machinery (others)	10 years
Furniture & fixtures	10 years
Office equipment's	5 years
Vehicles	8 years



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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## D. Impairment of Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the market value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

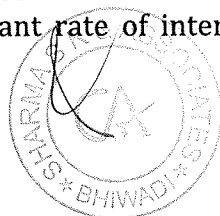
## E. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

## F. Leases

Assets acquired under finance lease, which effectively transfer to the company substantially all risk and benefits incident to ownership of the leased item are capitalized at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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liability. Finance charges are charged directly against income. Assets acquired under operating lease are recognized as an expense in the Statement of Profit & Loss and not on Straight-Line basis over the lease term as difference is insignificant.

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis or SLM.

## G. Earnings per share(EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

## H. Provisions, Contingent Liabilities and Contingent Assets

### General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

### Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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- A present obligation arises from the past event, unless the probability of outflow is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## **Contingent assets**

Contingent assets are not recognized in the financial statements.

## **I. Taxes**

Tax expense comprises current income tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

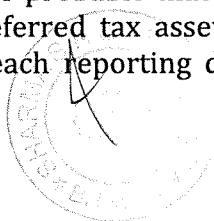
### **Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **J. Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefit will flow to the company & revenue is reliably measured.

- a) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership of the goods to the customers, which generally coincides with their delivery and approval of goods by customer. Sales are recorded at invoice value, net of goods and services tax and trade discount.
- b) In respect of other heads of income the Company accounts the same on accrual basis.

## **K. Foreign currency translation/conversion**

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

### **• Initial recognition**

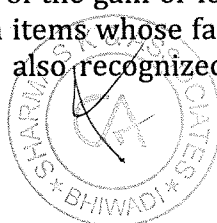
Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

### **• Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### **• Exchange differences**

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other income or profit or loss are also recognized in Other income or profit or loss, respectively).





# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

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## L. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized, in accordance with the principles laid down in AS-16, during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs that are directly attributable to the projects are charged to the respective project on the basis of expenditure incurred net of customer collections.

Other borrowing costs are expensed in the period in which they are incurred.

## M. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15 - 'Employee Benefits'.

### a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc are recognized in the Statement of Profit & loss in the period in which the employee renders the related service.

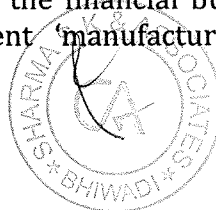
### b) Long Term employee benefits:

- *Defined benefit plan*  
Gratuity

The company provides for retirement benefits in the form of Gratuity. The company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognised immediately in the statement of Profit & Loss.

## N. Segment accounting and reporting

Having regard to integrated nature of the financial business of the company, there is only one reportable primary segment manufacture and sale of HVAC parts &



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

accessories', in view of which the disclosure requirement of 'Segment Reporting' pursuant to Accounting Standard – 17 is not applicable.

### 3. Other Notes Forming Parts of the Financial Statements:

#### A. Contingent Liabilities and Capital Commitment:

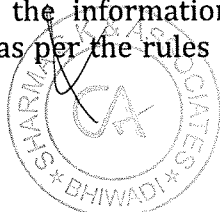
	(Amount in Thousands)	
	31.03.2022	31.03.2021
<b>a. Contingent Liabilities</b>		
Disputed Liability	-	-
<b>b. Capital commitment:</b>		
Capital Commitment	-	-
Less: Advances	-	-
<b>Net Capital Commitment</b>	-	-

#### B. Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

Particulars	(Amount in Thousands)	
	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	23,851.42	21,517.19
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	212.75	471.52
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

The company has collected the information from its vendors regarding its registration and its overdue as per the rules & provisions of MSMED, 2006 and



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

found no such liability under this Act. As per management of company, payment terms of suppliers are within time limit of MSMED, 2006 and company is fulfilling its payment terms.

- C. Pursuant to Accounting Standard 22 on Accounting for Taxes on Income, Deferred Tax assets and liabilities as on 31<sup>st</sup> March, 2022 are as under-

(Amount in Thousands)

Particulars	Previous year (Rs.)	Net (Charge) /Credit	Current Year
<b>Deferred tax Assets</b>			
Disallowance u/s 43B	388.87	781.99	781.99
Carry forward Losses	-	-	-
Others	280.08	197.95	197.95
<b>Total Deferred Tax Asset</b>	<b>668.95</b>	<b>978.95</b>	<b>978.95</b>
<b>Deferred Tax Liability</b>			
Depreciation	(3,040.82)	(2,072.49)	(2,072.49)
<b>Total Deferred Tax Liability</b>	<b>(3040.82)</b>	<b>(2,072.49)</b>	<b>(2,072.49)</b>
<b>Net Deferred tax Assets / (Liability)</b>	<b>(2371.88)</b>	<b>(1093.55)</b>	<b>(1093.55)</b>

- D. **Employees Benefits** - Disclosure in term of AS-15 (Revised) are as under:

- (a) **Defined contribution plan** - Contribution to defined contribution plan recognized as expenses for the year 2021-22 are as under -

(Amount in Thousands)

Particular	Current Year	Previous Year
Employer's contribution to Provident Fund & ESIC	2,193.07	1,898.47

- (b) **Defined Benefit Plan** - The Employees Gratuity Fund is non-funded. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.

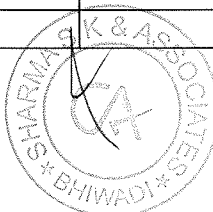
- (c) **Defined Benefit Plan** - The Employees Leave encashment is not funded and managed by the Company.

Disclosure as required by Accounting Standard AS-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

- i. **Net Expenses Recognized -**

(Amount in Thousands)

Particulars	Gratuity (Unfunded)	
	2021-22	2020-21
Current Service Cost	507.24	-
Interest Cost	18.02	-
Expected return on plan assets	-	-
Actuarial Losses / (Gains)	538.62	-
Past Service Cost	-	-
<b>Net Benefit Expenses</b>	<b>1,063.88</b>	-



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

## ii. Net Assets/ (Liability) recognized in Balance Sheet -

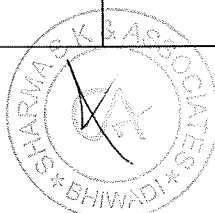
Particulars	Gratuity (Unfunded)	
	2021-22	2020-21
Present Value of Defined Benefit Obligation	1,312.46	-
Fair Value of Plan assets	-	-
Funded status - Deficit	-	-
Unrecognized Past Service Costs	-248.58	-
<b>Net Liabilities recognized in Balance Sheet</b>	<b>1063.88</b>	<b>-</b>

## iii. Change in the Obligation -

Particulars	Gratuity (Unfunded)	
	2021-22	2020-21
Present Value of Defined Benefit Obligation (at the beginning of year)	248.58	-
Interest Cost	18.02	-
Past Service Cost	-	-
Current Service Cost	507.24	-
Benefits Paid	-	-
Actuarial (Gain)/loss on Obligation	538.62	-
Present Value of Defined Benefit Obligation (at the end of year)	<b>1312.46</b>	<b>-</b>

## iv. Major actuarial assumption -

Particulars	Gratuity (Unfunded)	
	2021-22	2020-21
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	7.25% p.a.	-
Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	7.00% p.a.	-
Expected rate of return on assets	Not Applicable	Not Applicable
Withdrawal Rates	10.00% p.a at younger ages reducing to 2.00% p.a at older ages	Not Applicable



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

## E. Information in accordance with Accounting Standard-18 on 'Related Party Disclosure':

### (a) Related Parties -

S. No.	Name	Relationship
a)	<b>Key Management Personnel:</b> 1. Santosh Kumar Yadav 2. ANJU DEVI	Director Director
b)	<b>Other Related Parties:</b> 1. KRNCOILS Pvt Ltd	Common Shareholding

F. C.I.F. Value of imports of Raw Material Rs 10,09,833.32 Thousands (Previous Year Rs 475,267.25 Thousands).

G. Value of Raw Materials / Stores, Spare Parts & Components consumed & percentage of the total consumption.

(Amount in Thousands)

Particulars	2021-22		2020-21	
	Value	%	Value	%
<b>i. Raw Material &amp; Consumables -</b>				
Imported	10,09,833.32	74.0%	448,399.44	71.1%
Indigenous	355,674.11	26.0%	182,018.03	28.9%

## H. Expenditure in Foreign Currency

(Amount in Thousands)

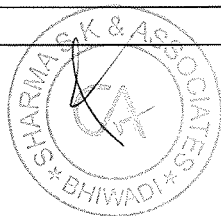
Particulars	2021-22	2020-21
Professional/Technical Services	USD 34.44	-
Import of Raw Material, Stores & Spares and Capital Goods	USD 13,564.77	USD 5,030.66
<b>Total</b>	<b>USD 13,599.21</b>	<b>USD 5,030.66</b>

I. Value of Export Sales during Current Year Rs. 149,683.54 Thousands (Previous Year Rs. 40,627.50 Thousands)

## J. Prior Period Item (Net) Comprise of -

(Amount in Thousands)

Particulars	2021-22	2020-21
Expense	319.42	-
	-	-
<b>Total Amount</b>	<b>319.42</b>	<b>-</b>



# KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED

CIN : U29309RJ2017PTC058905

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

## K. Payment to Auditors:

(Amount in Thousands)

Particulars	2021-22	2020-21
Audit Fees	100.00	100.00
Tax Audit Fees	50.00	50.00
Out of pocket expenses	-	-
Certification Charges	-	-
<b>Total</b>	<b>150.00</b>	<b>150.00</b>

L. Previous year figures have been re-arranged and re-grouped, wherever considered necessary.

As per our report of even date attached

Sharma S K & Associates

(Chartered Accountants)

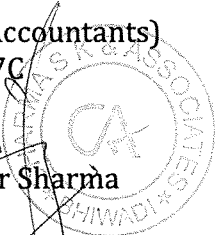
FRN: 021227C

Satish Kumar Sharma

(Prop.)

Place: Bhiwadi

Date: 02-09-2022



For and On behalf of the Board

KRN HEAT EXCHANGER AND REFRIGERATION Pvt Ltd

(Santosh Kumar Yadav)

(Director)

DIN : 07789940

(Anju Devi)

(Director)

DIN : 06858442