

INDEPENDENT AUDITOR'S REPORT

To the Members of
RITE WATER SOLUTIONS (INDIA) PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Rite Water Solutions India Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone 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, except for the effects of the matter described in the Basis for qualified opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the note 37 to the financial statement detailing the terms of the preference shares and unsecured debentures and assumptions used for recording and disclosure of the amounts in the financial statements. Pending agreement between the Company, its promoters and investor on terms of redemption, accounting has been done based on the proposal given by the Company, it is not possible for us to determine the adjustments that might have been necessary in the financial statements for the year ended 31 March 2022, if such a proposal is rejected or accepted with modification.

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

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially

PKF SRIDHAR & SANTHANAM LLP • 201, 2nd Floor, Centre Point Building, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Parel, Mumbai, 400012, India • Tel.: +91 22 2418 0163-66 • Email: mumbai@pkfindia.in

Head Office/Registered Office: 91/92, VII Floor, Dr. Radhakrishnan Road, Mylapore, Chennai, 600004, India • Tel.: +91 44 2811 2985 – 88 Fax.: +91 44 2811 2989 • Email: sands@pkfindia.in • Web: www.pkfindia.in

PKF SRIDHAR & SANTHANAM LLP is a registered Limited Liability Partnership with LLPIN AAB-6552 (REGISTRATION NO. WITH ICAI IS 003990S/S200018)



(Continuation Sheet)

misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of 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



(Continuation Sheet)

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 the standalone 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 other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements – Refer Note 25 & Note 33 to the financial statements;



PKF SRIDHAR AND SANTHANAM LLP

Chartered Accountants

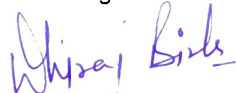
(Continuation Sheet)

- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 34 to the financial statements.
- III. As on March 31, 2022, There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company Refer Note 35 to the financial statements.
- IV. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 41 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, 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, as disclosed in the Note 42 to the standalone financial statements, no funds have been received by the company from any persons or entities, 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.
- (c) Based on such audit procedures that we have 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 (a) and (b) contain any material mis-statement.
- V. As stated in Note 45 to the standalone financial statements, the company has not declared any dividend during the earlier year and the current year and hence compliance with Section 123 of Companies Act 2013 on Declaration of Dividend is not applicable for the year.
- h) As required by Section 197(16) of the Act, we report that, being a private company, limits specified under Section 197 of the Act are not applicable to it Refer Note 44 to the standalone financial statements.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.: 003990S/ S200018



Dhiraj Kumar Birla
Partner

Membership No.: 131178

UDIN : 22131178AXBHQB2125



Place: Mumbai

Date: September 29, 2022

(Continuation Sheet)

Annexure A referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date of Rite Water Solutions (India) Private Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment's and Intangible assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the basis of our examination of the records of the company, the title deeds of the immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name in its earlier name i.e. Nagpur Aquatech Private Limited
 - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year and hence this clause is not applicable to the Company.
 - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - a) The inventory has been physically verified by the management at year end. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are less than 10% in the aggregate for each class of inventory.
 - 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. In our opinion quarterly returns or statements filed by the Company with such banks are in the agreement with the books of accounts of the Company.
 - c) Inventories have been physically verified at the year-end and no material difference was observed from such verification.
- (iii)
 - (a). The Company has made investments in Rite Water Lake City LLP, a limited liability partnership registered under the provisions of Limited Liability Partnership Act, 2008, where company has management control through 51% partnership share and provided advances to meet the working capital requirement in the nature of unsecured advances in the nature of loan

(A) Subsidiaries, joint ventures and associates:



PKF SRIDHAR AND SANTHANAM LLP**Chartered Accountants****(Continuation Sheet)**

(Rs. in 000's)

	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Venture	-	-	-	-
- Associate	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Venture	-	-	-	-
- Associate	-	-	-	-

(B) Other than subsidiaries, joint ventures and associates:

	Guarantees	Security	Loans	Advance in the nature of loans
Aggregate amount granted / provided during the year	-	-	-	1,383 (LLP under management control)
- Other than subsidiaries, joint ventures and associates				
Balance outstanding as at balance sheet date	-	-	-	15,170 (Net of Provision)
- Other than subsidiaries, joint ventures and associates				(LLP under management control)

b) The Company has not provided guarantees or given security during the year. Accordingly, paragraph 3(iiib) of the Order is not applicable to the Company.

c) In respect of following loans and advances in the nature of loans, the schedule of repayment of principal has not been stipulated and amount has not been demanded

Name of the entity	Amount	Principal / Interest	Due date	Extent of delay	Remarks, if any
Rite Water Lake City LLP	15,170 thousand (net of provisions)	15,170 thousand (net of provisions)	Not specified	Not Claimed	Repayment schedule is not stipulated

d) There are no amounts overdue for more than ninety days as at the balance sheet date and reasonable steps have been taken by the Company for recovery of the principal and interest

e) No loans or advance in the nature of loan granted have fallen due during the year and hence the question of the loan has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same parties does not arise.



(Continuation Sheet)

f) Based on our audit procedures and according to the information and explanation given to us, the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment as follows:

	All parties	Promoters	Related parties
Aggregate amount of loans/advances in nature of loan			
– Repayable on demand (A)	-	-	-
– Agreement does not specify any terms or period of repayment (B)	15,170 (Net of Provision) (LLP under management control)	-	15,170 (Net of Provision) (LLP under management control)
Total (A+B)			
Percentage of loans/advances in nature of loan to the total loans	100%		100%

- (iv) The Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) The Company is been regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, duty of excise, works contract tax, cess and other material statutory dues, as applicable, with the appropriate authorities except 1 instance of delayed payment of Employee's state insurance dues. The provisions relating to sales tax, service tax, excise duty and value added tax are not applicable to the Company.
- No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31st 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 and the records of the Company examined by us, there are no dues of income-tax, service-tax, goods and service tax, duty of customs, and duty of excise or value added tax which have not been deposited as at March 31, 2022 on account of any dispute, except for



(Continuation Sheet)

Nature of Statute	Nature of dues	Amount (Rs. in 000's)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income tax demand u/s 143(1a)	682	AY 2018-19	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	Income tax demand u/s 143(1a)	1,055	AY 2020-21	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	Income tax demand u/s 270(A)	73	AY 2017-18	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	Income tax demand u/s 143(1a)	3,463	AY 2019-20	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	TDS Default	126	Various Years	Reply submitted to online. Closure awaited.
GST	Difference between GSTR-3B and GSTR-7 and penalty under Section-73.	2,928	AY 2020-21	Appeal is filed

- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix) a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender – Also refer Note 46 with respect to debentures.
- b) Based on our audit procedure and according to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- c) According to the information and explanations given to us and the records of the Company examined, term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the standalone financial statements of the company, we report that the company has not used short term funds for long term purposes during the year.
- e) The Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies.
- f) 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) Monies raised by the Company by way of term loan were applied for the purpose for which they were raised. However, the Company did not raise money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under the clause 3(x) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have



(Continuation Sheet)

- been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of our report.
- (c) To the best of our knowledge and belief and according to the information and explanation given to us, we report that no whistle blower complaints received by the company during the year and shared with us for reporting under this clause.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to it.
- (xiii) All the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Standalone Financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) As reports of internal auditors were received late, we were unable to consider them for the period under audit.
- (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 its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.
- (b) Based on our audit procedures and according to the information and explanations given to us, 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. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, the group does not have any Core Investment Companies (CICs) (basis definition of "Companies in the Group" as per Core Investment Companies (Reserve Bank) Directions, 2016) as at the end of the reporting period and accordingly this clause is not applicable to the company.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.



PKF SRIDHAR AND SANTHANAM LLP

Chartered Accountants

(Continuation Sheet)

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable to the company.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and our reliance on the planned equity infusion, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b). In respect of ongoing projects, the Company has transferred unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with Sec.135(6) of the said Act.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.: 003990S/ S200018

Dhiraj Kumar Birla

Partner

Membership No.: 131178

UDIN : 22131178AXBHQB2125

Place: Mumbai

Date: September 29, 2022



(Continuation Sheet)

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of Rite Water Solutions (India) Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 (the "Guidance Note"). 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 standalone 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



PKF SRIDHAR AND SANTHANAM LLP

Chartered Accountants

(Continuation Sheet)

prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the Company have, 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 31 March 2022, based on the internal control over financial reporting criteria established by the companies 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.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.: 003990S/ S200018

Dhiraj Kumar Birla

Partner

Membership No.: 131178

UDIN : 22131178AXBHQB2125



Place: Mumbai

Date: September 29, 2022

Standalone Balance Sheet as at 31st March 2022

	Notes	As at March 31, 2022 ₹ in 000's	As at March 31, 2021 ₹ in 000's
<u>Equity & Liabilities</u>			
Shareholders' Funds			
Share Capital	3	46,053	46,053
Reserves and Surplus	4	6,67,410	5,09,609
		7,13,463	5,55,662
Non-Current Liabilities			
Long term borrowings	5	1,839	12,217
Long term provisions	6	1,424	2,167
		3,263	14,384
Current Liabilities			
Short term borrowings	5	1,17,587	96,112
Trade Payables	7		
Outstanding dues of micro, small and small enterprises		12	582
Outstanding dues of other than micro, small and medium enterprises		1,20,264	88,756
Other current liabilities	8	66,973	72,956
Short-term provisions	6	19,748	15,087
		3,24,584	2,73,493
Total		10,41,310	8,43,539
<u>Assets</u>			
Non-current assets			
Property, plant and equipments and Intangible assets	9		
Tangible assets		10,912	10,284
Intangible assets		142	11
Deferred tax assets (net)	10	-	-
Non-Current Investment	11	-	-
Long-term loans and advances	15	2,77,277	2,80,966
		2,88,331	2,91,261
Current assets			
Inventories	12	30,930	23,921
Trade receivables	13	4,76,623	3,72,127
Cash and Bank Balances	14	1,12,508	1,15,651
Short-term loans and advances	15	1,17,112	29,360
Other current assets	16	15,806	11,219
		7,52,979	5,52,278
Total		10,41,310	8,43,539

Summary of significant accounting policies

2

The accompanying notes form an integral part of the standalone financial statement

As per our report of even date

For PKF Sridhar & Santhanam LLP**Chartered Accountants****Firm Registration No. 0039905/S200018****For and On behalf of the Board****Rite Water Solutions India Private Limited****Dhiraj Kumar Birla****Partner**

Membership No: 131178

UDIN:

Abhijeet Gan**Director**

DIN: 01350305

Vinayak Gan**Director**

DIN: 01581401

Mumbai

Rite Water Solutions India Private Limited

Corporate Identification Number: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Standalone Statement of profit and loss for the year ended 31st March 2022**

	Notes	Year Ended March 31, 2022 ₹ in 000's	Year Ended March 31, 2021 ₹ in 000's
Income			
Revenue from operations	17	7,67,751	7,17,607
Other Income	18	20,212	13,782
Total revenue		7,87,963	7,31,389
Expenses			
Purchase of material/stock	19	2,49,552	2,06,221
Changes in inventories	20	(7,009)	22,813
Employee benefit expense	21	46,551	44,632
Financial Cost	22	13,694	43,519
Depreciation and amortization expense	23	1,758	1,958
Other Expenses	24	3,15,622	2,72,953
Total expenses		6,20,168	5,92,096
Profit before exceptional / extraordinary items		1,67,795	1,39,293
Exceptional / extraordinary items		-	-
Profit Before Tax		1,67,795	1,39,293
Tax expense			
Current tax		29,400	29,700
Deferred tax		-	-
Mat Credit		(15,500)	(26,234)
Total tax expense		13,900	3,466
Profit After Tax		1,53,895	1,35,826
Earnings per equity share (Nominal value ₹10/- each (31st March 2021: ₹10/-)	26		
- Basic		58.92	56.80
- Diluted		58.92	56.80

Summary of significant accounting policies

2

The accompanying notes form an integral part of the standalone financial statement

As per our report of even date

For PKF Sridhar & Santhanam LLP**Chartered Accountants****Firm Registration No. 003990S/S200018****For and On behalf of the Board****Rite Water Solutions India Private Limited****Dhiraj Kumar Birla****Partner**

Membership No: 131178

UDIN:

Mumbai**Abhijeet Gan****Director**

DIN: 01350305

Vinayak Gan**Director**

DIN: 01581401

Standalone Cash flow statement for the year ended 31st March 2022

Particulars	Year Ended March 31, 2022 ₹ in 000's	Year Ended March 31, 2021 ₹ in 000's
Cash flow from Operating Activities		
Net Profit Before Tax	1,67,795	1,39,293
Adjustment for-		
- Depreciation/Amortization	1,758	1,958
- Profit on sale of asset	-	270
- Bad Debts (including provision for bad debts)	-	11,782
- Interest Income	(7,487)	(7,415)
- Interest Expenses	13,694	43,519
Operating cash flow before Working Capital Changes	1,75,760	1,89,407
<i>Adjustment for change in Working Capital:</i>		
- Increase/(Decrease) in Trade Payable	30,938	(5,975)
- Increase/(Decrease) Other Liabilities	(1,677)	(10,383)
- Increase/(Decrease) Provisions	966	(1,634)
-(Increase)/Decrease Inventory	(7,009)	22,813
-(Increase)/Decrease Trade Receivable	(1,04,496)	1,15,557
-(Increase)/Decrease Other Current Assets	295	(1,23,098)
-(Increase)/Decrease Loans & Advances	13,852	2,717
Cash Generated from/(used in) Operations	1,08,629	1,89,404
Income Taxes (Refund)/Paid	1,08,863	25,480
Net cash generated from operating activities [A]	(234)	1,63,924
Cash flow from Investing Activities		
Purchase of Property, Plant and Equipments	(2,517)	(924)
Investment in Limited Liability Partnership	-	608
Interest received	2,605	1,224
Net cash (used in) Investing Activities [B]	88	908
Cash flow from Financing Activities		
Interest paid on bank loan and debentures	(13,694)	(52,116)
Dividend including dividend distribution tax on preference shares	(400)	(400)
Changes in the loan liabilities (net of additional loans)	11,097	(33,323)
Net Cash (used in) Financing Activities [C]	(2,997)	(85,839)
Net Increase/(Decrease) in Cash and Cash Equivalents[A+B+C]	(3,143)	78,993
Cash and Cash Equivalents at the Beginning of the year	1,15,651	36,658
Cash and Cash Equivalents at the year-end	1,12,508	1,15,651
Cash and cash equivalents as per Note 14	1,12,508	1,15,651

Notes to Cash Flow Statement

1 - Cash Flow Statement is prepared under "Indirect Method" as set out in Accounting Standards (AS-3) "Cash Flow Statement" as specified in the Companies Accounting Standards Rules, 2006.

As per our report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

For and On behalf of the Board

Rite Water Solutions India Private Limited

Dhiraj Kumar Birla

Partner

Membership No: 131178

UDIN:

Mumbai

Abhijeet Gan

Director

DIN: 01350305

Vinayak Gan

Director

DIN: 01581401

Notes to the Standalone Financial Statements

1. Company Information

Rite Water Solutions India Private Limited, incorporated on 24th September, 2004. The Company is ISO 9001:2008 certified and also registered as Small Scale Industry in India. The Company is specialized in portable water and water quality improvements solutions with focus on providing comprehensive, cost effective and sustainable solutions for safe drinking water to habitations across India where water sources are chemically & biologically contaminated.

Financial Statements have been prepared and presented in Indian Rupees, unless otherwise stated and rounded off to the nearest decimal to rupees in thousand.

2. Summary of significant accounting policies

2.1. Basis of Preparation & Use of Estimates

The financial statements have been prepared on accrual basis under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards specified under section 133 of The Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 and with the relevant provisions of the Companies Act, 2013, to the extent applicable.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

2.2. Property Plant and Equipments and Intangible Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advance given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under long term loans & advances and capital work in progress respectively.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

2.3. Depreciation & Amortization

Depreciation on Tangible and Intangible assets purchased / disposed off during the period is provided on pro rata basis with reference to the date of additions / deductions. Depreciation on tangible assets is provided using the rates based on economic useful lives of assets as per Companies Act, 2013 and the straight-line method specified as per schedule II of the Companies Act, 2013 and amortization on intangible assets is based on management's assessment of useful life of the assets, which is 3 years for software and 5 years for business rights.

Rite Water Solutions India Private Limited

Corporate Identification Number: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016



2.4. Revenue Recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services net of discounts, goods and service tax and other duties.

Revenue from fixed-price and fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage of completion or proportionate efforts method depending upon the circumstances. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.

Revenue from maintenance contracts is recognized over the period of contract on pro-rata basis, where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved

Revenue from Water sales is recognized on the basis of monthly collection report send by the various site in charge

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.5. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

2.6. Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include salaries, wages, allowances, performance incentive and compensated absences.

Long Term Employee Benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

b) Defined benefit plans

Incremental liability towards retirement gratuity is determined and provided for at the year end, as per actuarial valuation. The actuarial method used by an independent Actuary for measuring liability is the Project Unit Cost Method. Actuarial gain and losses comprise experience adjustments and the effects of the changes in the actuarial assumption are recognized immediately in the statement of Profit and Loss as income or expenses.

2.7. Operating Lease

The lease rentals payable under operating lease agreement is recognized as an expense in statement of profit & loss on straight lining basis as per AS 19 Leases.

2.8. Earnings per share

The basic earnings per share is calculated by dividing the net profit after tax by weighted average number of equity shares outstanding during the reporting period. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential preference shares / debentures. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

2.9. Taxes on Income

Provision for current income tax is made on the basis of the taxable income for the year in accordance with the Income – Tax Act, 1961.

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. When there are unabsorbed depreciation and carry forward losses as per Income Tax Act, deferred tax assets are recognized only if there exist virtual certainty of their realization.

2.10. Impairment of Assets

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute Of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment.

An impairment loss is realizable whenever the carrying amount of such assets exceeds its recoverable amount, impairment loss is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation) had no impairment loss been recognized.

2.11. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

2.12. Borrowing Cost

As per the provisions of Accounting Standard 16, Borrowing cost are recognized as expenses in the year in which they are incurred and includes interest, processing fee, premium on redemption and other charges.

Notes to the Standalone Financial Statements (continued..)

2.13. Provisions, contingent Liabilities and contingent assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

2.14 Inventories

Cost of inventories comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw material are valued at lower of cost and net realizable value. Cost is determined under the first-in, first-out method.

Work in progress and finished goods are valued at lower of cost and net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Note 3 - Share Capital

Authorized Capital

27,00,000 (PY : 27,00,000) Equity Shares of ₹10/- each
2,00,000 (PY : 2,00,000) 2% Cumulative Preference Shares of ₹100/- each

Issued, subscribed and fully paid up Capital

26,05,291 (PY: 26,05,291) Equity Shares of ₹10/- each
2,00,000 (PY: 2,00,000) 2% Cumulative Preference Shares of ₹100/- each

Total Equity Share Capital

As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
27,000	27,000
20,000	20,000
26,053	26,053
20,000	20,000
46,053	46,053

a. Reconciliation of the shares outstanding at the beginning and at the end of the financial year Equity Share Capital

At the beginning of the year
Add: Issued during the year
Less: Redeemed during the year
At the end of the year

As At 31st March 2022 Nos	As At 31st March 2021 Nos
26,05,291	26,05,291
-	-
-	-
26,05,291	26,05,291

Preference share capital

At the beginning of the year
Add: Issued during the year
Less: Redeemed during the year
At the end of the year

As At 31st March 2022 Nos	As At 31st March 2021 Nos
2,00,000	2,00,000
-	-
-	-
2,00,000	2,00,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the 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

c. Terms/rights attached to 2% Cumulative Preference Shares (Refer Note 37)

A. 2% Preference Shares issued in tranche 1 of ₹ 1,40,00,000/- carries a dividend of 2% (Two percent) per annum. The dividend is cumulative in nature.

These shares will have priority over equity shares in payment of dividend & repayment of capital. The shares are also entitled to participate in proportion to its shareholding as if converted basis, in surplus assets and profits in the event of winding-up, which may remain after the preference capital along with any unpaid dividend has been repaid.

The holder of preference shares shall have such rights to attend and vote at general meetings of the Company as are attached to equity shares on an as-if converted basis, as are from time to time prescribed by the Act and other applicable Laws and regulations.

B. 2% Preference Shares issued in tranche 2 of ₹ 60,00,000/- carries a dividend of 2% (Two percent) per annum. The dividend is cumulative in nature.

These shares will have priority over equity shares in payment of dividend & repayment of capital. The shares are also entitled to participate in proportion to its shareholding as if converted basis, in surplus assets and profits in the event of winding-up, which may remain after the preference capital along with any unpaid dividend has been repaid.

The holder of preference shares shall have such rights to attend and vote at general meetings of the Company as are attached to equity shares on an as-if converted basis, as are from time to time prescribed by the Act and other applicable Laws and regulations.

d. Details of shares held by shareholders holding more than 5% of total shares capital in the company

(i). In Equity Share Capital

Mr. Vinayak Shankarrao Gan
Mr. Abhijeet Vinayak Gan
SIDBI Trustee Company Limited
Mr. Vishawas Pathak
Others holding less than 5% shares

31 March 2022		31 March 2021	
Number of Shares	% holding in the class	Number of Shares	% holding in the class
11,65,000	44.71%	11,65,000	44.71%
7,46,035	28.64%	7,46,035	28.64%
4,34,216	16.67%	4,34,216	16.67%
2,60,000	9.98%	2,60,000	9.98%
40	0.00%	40	0.00%
26,05,291	100.00%	26,05,291	100.00%

(ii). In Preference Share Capital

SIDBI Trustee Company Limited

31 March 2022		31 March 2021	
Number of Shares	% holding in the class	Number of Shares	% holding in the class
2,00,000	100.00%	2,00,000	100.00%
2,00,000	100.00%	2,00,000	100.00%

- e. The Company had issued 10,00,000 shares of ₹ 10 each as bonus shares in the year 2013-14 to then existing shareholder's at the rate of 1:1 share
- f. No calls are unpaid by any director or officer of the Company during the financial year.
- g. No Equity shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at the Balance Sheet date.
- h. There has been no forfeiture of shares during the year.
- i. **Details of Shareholding of Promoters at the end of the year:**

Promoter name	No. of Shares As on March 31, 2021	% share of holding	Change during the year	No. of Shares As on March 31, 2022	% share of holding	% Change during the year
Mr. Vinayak Shankarrao Gan	11,65,000	45%	-	11,65,000	45%	-
Mr. Abhijeet Vinayak Gan	7,46,035	29%	-	7,46,035	29%	-
SIDBI Trustee Company Limited	4,34,216	17%	-	4,34,216	17%	-
Mr. Vishawas Pathak	2,60,000	10%	-	2,60,000	10%	-

Note 4 - Reserves and Surplus

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Capital Reserve		
Opening Balance	688	688
Add: During the year	-	-
Closing Balance	688	688
General Reserve		
Opening Balance	3,150	3,150
Add: During the year	-	-
Closing Balance	3,150	3,150
Security Premium		
Opening Balance	11,849	35,669
Add: During the year (refer note note 37)	4,306	-
Less: Premium on redemption of preference shares (refer note 37)	-	(23,820)
Closing Balance	16,155	11,849
Debenture redemption reserve (refer note 5e)		
Opening Balance	10,000	10,000
Add: During the year	-	-
Closing Balance	10,000	10,000
Surplus in statement of profit & loss		
Opening balance	4,83,922	3,48,495
Add: Profit for the year	1,53,895	1,35,827
Apportionment		
Towards dividend on preference shares	(400)	(400)
Closing Balance	6,37,417	4,83,922
Total Reserve & surplus	6,67,410	5,09,609

4.1. Capital reserves represents capital subsidy received from District Industry Center Nagpur during the year 2006-07.

Note 5 - Borrowings

	Long Term		Short Term	
	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
8% Debentures - Unsecured - (Refer note d below)	-	-	80,000	1,00,000
Less: Advance on premium for redemption			(8,157)	(5,000)
			71,843	95,000
Term Loan from NBFCs - Secured	101	588	550	671
Term Loan from Bank	1,738	3,529	1,323	441
Working Capital Loan - Secured - from Banks				
Inland letter of credit facility	-	-	15,548	-
Cash Credit Facility	-	-	20,223	-
Loans & Advances from directors and shareholders - Unsecured				
Laxmikant Chandak & Sons (HUF)	-	3,100	3,100	-
Mr Giridhar Chandak	-	1,500	1,500	-
Mrs Renu Santosh Chandak	-	3,500	3,500	-
	1,839	12,217	1,17,587	96,112

a. Nature of security and terms of repayment for secured loan availed from Bank of Maharashtra

(i). Loans, including Cash Credit from Bank of Maharashtra is secured by way of (a) hypothecation of receivables, (b) Additional charge on Land & Factory Building at Nagpur, (c) Equitable mortgage of Shops and Personal Apartments of Promoters at Nagpur, (d) Pledge of 30% equity share held in the name of directors, (e) Hypothecation of plant & Machinery/equipment & other fixed asset and (f) Personal guarantees of Directors namely Mr. Vinayak Gan and Mr. Abhijeet Vinayak Gan.

(ii). Interest payable on the working capital loan is 290 basis points above the Repo Rate. Current base rate as on March 31, 2022 was 6.90% (as on March 31, 2021: 8.95%)

(iii). Cash credit facility of upto INR 5 Crores is repayable on demand and to be renewed every year.

(iv). Bank Guarantee Facility of upto ₹ 11 Crore is repayable on demand having 15% Fixed Deposit as margin money.

(v). Letter of Credit facility of INR 5 Crores is for usance period of upto 90 days with 15% Term Deposit kept as lien.

b. Collateral loan from Bank of Maharashtra

7.5% Working Capital Term Loan amounting to Rs. 39,70,000 under Emergency Credit Line Guranatee Scheme (ECLGS) is secured by way of collateral security on Factory Land. We have received 12 months moratorium in principal repayment and principal to be repaid from Dec 1, 2021 in 36 equal installments.

c. Terms of the unsecured loans from the related parties are as follows

(i). Interest to be mutually agreed between the company and lenders. Current year charge 12% computed annually (for the year ended March 31, 2021: 12%).

(ii). Loans, except directors loans are repayable on or before 36 months from the date of availing the loan facility i.e. 36 months from April 1, 2021.

(iii). Loans from directors are repayable on or before 12 months from the date of availing the loan facility.

d. Terms of the term loan form Cholamandalam Finance Company / Kotak Mahindra Prime Limited

(i). Secured by equitable mortgage of vehicles for which loan was availed

(ii). Each Loan is repayable in 60 equitable monthly instalments from the date of availing the loan facility

(iii). Interest rate is 6.4% flat - 8.81% flat.

Note 6 - Provisions

	Long Term		Short Term	
	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Provision for gratuity (Refer Note 27.b)	1,424	2,167	521	540
Provision for Labour Cess	-	-	3,447	3,463
Provision for CSR Expenditure	-	-	1,046	239
Provision for Warantee (Refer note 6.1)	-	-	3,352	2,415
Provision for Income Tax [Net of advance tax/TDS of ₹ 20,344 thousand (PY: ₹ 21,269 thousand)]	-	-	11,382	8,430
	1,424	2,167	19,748	15,087

6.1 - Company provides 12 months warranty of the products supplied by it. Accordingly it creates a provision of 0.5% on the product which continued under Operations and Maintenance and 1.5% of the other eligible products at the time of sale and this amount is reversed in 4 quarterly instalments and adjusted and charged to the statement of profit & loss. Details of current year provision and reversal is given below:

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Opening balance of the provision	2,415	3,811
Add: Expense incurred during the year	-	-
Less: Provision utilised / reversed during the year	(937)	1,396
Closing balance of provision	3,352	2,415

Note 7 - Trade Payable

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Due to Micro and Small Enterprises*	12	582
Due to Others	85,619	58,055
Accruals of the expenditure	34,645	30,701
	1,20,276	89,338

* Identification of amounts payable to micro, small and medium enterprises in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 is based on the information available with the company.

Interest due to suppliers registered under the	-	-
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	-	-

Trade Payable Ageing Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31 March 2022 (₹ in 000's)
Undisputed dues of Micro and Small enterprises	12	-	-	-	12
Undisputed dues of Creditors other than Micro and Small enterprises	1,04,704	15,498	47	15	1,20,264
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - others	-	-	-	-	-

(Amount outstanding for March 31, 2022 are from due date of payment)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31 March 2021 (₹ in 000's)
Undisputed dues of Micro and Small enterprises	317	266	-	-	583
Undisputed dues of Creditors other than Micro and Small enterprises	77,482	8,462	1,718	1,093	88,755
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - others	-	-	-	-	-

(Amount outstanding for March 31, 2021 are from due date of payment)

Note 8 - Other Current Liabilities

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Interest payable but not due on term loans	-	26
Dividend Payable on Preference Shares	400	400
Premium payable on redemption of debenture (refer note 37)	28,568	34,879
Premium payable on redemption of preference shares (refer note 37)	19,514	23,820
<u>Payable to Statutory Authorities</u>		
Tax Deducted Source	2,725	2,312
Employees State Insurance Contribution	16	10
Provident Fund	133	89
Professional Tax	-	17
Payable to Employees (including directors)	10,691	3,072
Retention Money by Vendor	4,822	3,807
Advance from Customers (Refer note 9.1 below)	104	4,524
	66,973	72,956

8.1 - Indo - US science and technology forum has approved a financial award of Rs. 6,500,000 on March 20, 2021 to the Company. This amount would be paid to the company on two Milestones as per the terms of award letter. The Company has received amount of one milestone during the year.

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Opening Balance	3,087	-
Add: Payment received	-	3,087
Less: Utilized and credited as income to Statement of Profit & Loss	(3,087)	-
Unutilized amount as at the year end	-	3,087

Note 10 - Deferred Tax Assets (Net)

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Difference between tax depreciation and accounting depreciation	(350)	(424)
Employee Provisions and doubtful debts	14,727	17,481
Premium on redemption of debenture	7,321	8,938
Net Deferred Tax Asset / (Liability)	21,698	25,995
Less: Deferred tax asset / (liability) not recognised	21,698	25,995
Net deferred tax assets/(liability)	-	-

The Company is eligible for exemption u/s 80IA of the Income Tax Act, 1961 and currently more than 72% (PY: 97%) of the profits are derived from eligible business. This exemption is available till assessment year 2022-2023. Consequently, no deferred tax assets / liability is recognised in the books.

Note 11 - Non Current Investment

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Trade-Unquoted		
Equity Shares - Rite Water India Private Limited (3498 Shares (PY 3498 Shares) - Face Value of Rs 100 each)	98	98
Capital - Rite Water Lake City LLP (Holds 51% Capital Interests)	510	510
Less: Other than temporary reduction in value of investment	(608)	(608)
	-	-

Note 12 - Inventories

(Valued at lower of cost and net realisable value)

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Material and Stock:		
Raw Material	30,930	8,742
Finished Goods	-	15,179
	30,930	23,921

Note 13 - Trade Receivables

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment.		
Considered good	2,06,806	99,700
Considered doubtful	7,167	11,990
	2,13,973	1,11,690
Outstanding for a period less than six months from the date they are due		
Considered good	1,37,332	92,198
Considered doubtful	-	-
	3,51,305	2,03,888
Less: Provision for doubtful debts	(7,167)	(11,990)
	3,44,138	1,91,898
Unbilled revenue	1,33,387	1,82,023
Less: Provision for doubtful debts	(902)	(1,794)
	1,32,485	1,80,229
	4,76,623	3,72,127

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	As at 31 March 2022 (₹ in 000's)
Undisputed Trade Receivables - Considered Good	1,90,302	1,08,431	26,357	16,509	2,539	3,44,138
Undisputed Trade Receivables - Considered Doubtful	-	-	471	1,137	6,460	8,069
Unbilled and Not due	1,30,841	742	902	-	-	1,32,485
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-

(Amount outstanding for March 31, 2022 are from due date of payment)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	As at 31 March 2021 (₹ in 000's)
Undisputed Trade Receivables - Considered Good	1,33,787	358	42,697	8,015	5,247	1,90,104
Undisputed Trade Receivables - Considered Doubtful	-	-	5,748	4,779	3,257	13,784
Unbilled and Not due	1,55,021	-	7,176	19,826	-	1,82,023
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-

(Amount outstanding for March 31, 2021 are from due date of payment)

Note 14 - Cash and Bank Balances

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Cash & cash equivalents		
Cash on hand	206	585
Balances with banks:		
In Current Accounts	12,292	7,872
In Cash Credit Accounts	-	1,323
In Deposit accounts	1,59,067	1,42,486
Less: Margin Money Deposit to Long term loans and advances	(59,057)	(36,615)
	1,12,508	1,15,651

Note 15 - Loans and Advances

	Long Term		Short Term	
	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Advances recoverable in cash or kind	26,555	25,155	-	-
Less: Provision for doubtful advances	(11,385)	(7,141)	-	-
Earnest money deposit / Security deposit with customers	1,37,384	1,43,786	39,952	18,254
Other Deposits	157	437	1,557	1,241
Margin Money Deposits with Bank	26,651	36,615	32,406	-
MAT Credit Receivable	97,915	82,114	(300)	-
Goods and Service Tax Receivables	-	-	28,096	5,286
Advances to suppliers	-	-	11,543	3,116
Advance to employees for expenses	-	-	3,755	1,326
Salary Advance	-	-	103	137
Total	2,77,277	2,80,966	1,17,112	29,360

Net Advances recoverable in cash or kind (Unsecured considered good) includes ₹ 15,170 thousand (PY- 18,014 thousand) is advanced for setup of a Limited Liability Partnership which the Company has 51% profit share

Note 16 - Other Current Assets

	As At 31st March 2022 ₹ in 000's	As At 31st March 2021 ₹ in 000's
Interest accrued but not due	15,603	10,721
Prepaid expenses	203	498
	15,806	11,219

Note 17 - Revenue from operations

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
Revenue from works contract	6,26,763	6,64,569
Revenue from Services	2,05,293	1,12,118
Gross revenue	8,32,056	7,76,687
Less: Goods and Service tax	(64,305)	(59,080)
	7,67,751	7,17,607

Note 18 - Other Income

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
Interest on Fixed Deposits	7,487	7,415
Miscellaneous Credit Written Back (including provision)	2,426	4,676
Warranty provision no longer required, written back	-	1,396
Profit on sale of fixed assets	-	270
Reversal of excess premium on redemption of debenture (Refer Note 46)	6,311	-
Excess provision in Gratuity written back (Refer note 28.b)	762	-
Miscellaneous Income	3,226	24
	20,212	13,782

Note 19 - Purchase of material/stock

	Year ended 31st March 2022 ₹	Year ended 31st March 2021 ₹
Purchase of material, stock and Consumables (net of duties, taxes for which credit is claimed)	2,49,552	2,06,221
	2,49,552	2,06,221

Note 20 - Changes in inventories

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
Inventories at the end of the year	30,930	23,921
Inventories at the beginning of the year	23,921	46,734
Net (increase) / decrease	(7,009)	22,813

Note 21 - Employee benefit expense

	Year ended 31st March 2022 ₹	Year ended 31st March 2021 ₹
Salaries, wages and bonus	28,122	26,265
Provision for Gratuity (Refer note 28.b)	-	776
Remuneration to Director	11,800	11,800
Contribution to Provident Fund	2,250	732
Contribution to Employee State Insurance	170	185
Staff Welfare	4,209	4,874
	46,551	44,632

Note 22 - Financial Expenses

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
Bank Charges	3,359	2,625
Interest on Bank Loans	2,503	1,085
Interest on Debenture	6,777	11,200
Interest on Unsecured Loans	972	2,082
Premium on redemption of debenture - amortised (Refer Note 46)	-	26,282
Interest - Others *	83	245
	13,694	43,519

*Represents interest paid on account of delay in settlement of contractual liabilities, including statutory liabilities

Note 23 - Depreciation and amortization expense

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
Depreciation on tangible assets	1,649	1,925
Amortisation on intangible assets	109	33
	1,758	1,958

Note 24 - Other Expenses

	Year ended 31st March 2022 ₹ in 000's	Year ended 31st March 2021 ₹ in 000's
<u>Operating Expenditure</u>		
Site Material, Maintenance and Manufacturing Expenses	2,17,433	1,75,522
Tender Processing Charges	1,821	358
Electricity & Fuel Expenses	29,040	19,367
Royalty Expense	654	4,664
Provision for Warrantee Expenditure (net)	937	-
<u>Administration Expenses</u>		
Rent	6,607	6,387
Legal and Professional Expenses	9,733	9,324
Travelling and Conveyance	11,603	8,215
Repairs and Maintenance	4,501	2,575
Advertisement and Sale Promotion	278	729
Transport, Freight & Carting	12,060	12,789
Office Expenses	216	257
Communication Expenses	805	839
Payment to Auditors (Refer details below)	797	710
Printing & Stationery	616	494
Commission & Brokerage Expenses	4,503	3,897
Rates and taxes	8,212	7,930
Postage and courier	254	223
Corporate Social Responsibility Expenditure	2,761	2,359
Insurance Expenses	993	1,165
Bad debt including provision for doubtful debts	-	11,782
Impairment of investments	-	608
Donation & Subscription	29	1,165
Miscellaneous Expenses	1,769	1,595
	3,15,622	2,72,953

24.1 Payment to Auditors

Towards (excl Goods and Service Tax)

Audit fees including internal financial control audit	561	500
Tax Audit Fees	107	100
Other Services	50	45
Out of Pocket Expenses / Expenditure incurred	78	65
	797	710

24.2 Details of CSR expenditure :

Gross amount required to be spent by the Company during the year

Expenditure provided in the books	2,761	2,359
(+) Opening provision in the books	239	194
(-) Closing provision in the books	1,046	239
Amount actually paid during the year on CSR activities	1,954	2,314

The Company is required to comply with the provisions of section 135 of the Act and spend Rs. 2,761 thousand (PY: Rs.2,359 thousand) towards Corporate Social Responsibility for F.Y. 2021-22. The Company has spent Rs.1,954 thousands, including Rs. 239 thousands for previous periods (PY: Rs.2,120 thousand) and for the balance unspent amount of Rs.1,046 in thousands (PY: Rs.239 in thousand) a provision has been made in the financial statements for the year ended. Further in compliance of the provisions of section 135 the Company has transferred an amount of Rs.1,050 thousand to a separate bank account called as "Unspent CSR Account" and the said funds will be utilized on its identified on-going projects.

Note 25. Commitment and contingent Liabilities

	31 March 2022 ₹ in 000's	31 March 2021 ₹ in 000's
Aggregate value of Bank Guarantees Outstanding	1,64,753	1,08,500
Goods and Service Tax Demands	2,928	-
Income Tax Demands (excluding additional interest from the date of demand)	5,462	4,829

Note 26 - Earnings per Share

The following reflects the profit and share data used in the basic EPS computation:

	31 March 2022 ₹ in 000's	31 March 2021 ₹ in 000's
Profit after tax as per statement of Profit and Loss	1,53,895	1,48,376
Less: Dividend and distribution tax on preference shares	400	400
Net profit for equity shares for EPS	1,53,495	1,47,976
Weighted average number of Equity Shares (in Nos.)	26,05,291	26,05,291
Basic Earnings per share (in ₹)	58.92	56.80
Dilutive Earnings per share (in ₹)	58.92	56.80
Face value per share (in ₹)	10.00	10.00

Note 27 - Employee Benefits

27(a). Defined Contribution Plan

During the year, the company has recognised the following amounts in the Statement of Profit and loss towards employer's contribution to provident and pension fund.

	31 Mar 2022 ₹ in 000's	31 Mar 2021 ₹ in 000's
Employer's contribution to provident fund, ESI fund and other funds	2,420	1,362

27(b). Gratuity

The Company provides for liabilities towards 'Gratuity', a defined benefit post employment plan covering eligible employees. All employees who have completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service subject to the maximum limits specified in under the Payment of Gratuity Act, 1972. The scheme is unfunded.

The following table summarise the component of net benefit expenses recognised in the statement of profit and loss and amount recognised in the balance sheet :

Net employee benefit expense recognised in the employee cost.

	31 Mar 2022 ₹ in 000's	31 Mar 2021 ₹ in 000's
Current Service Cost	569	575
Interest cost on benefit obligation	184	195
Expected return on plan assets		
Net actuarial (gain)/loss recognised in the year	(1,514)	5
Opening liability recognised	-	-
Expenses Recognized in the statement of Profit & Loss	(761)	776

Liability/ (asset) recognised in the Balance Sheet

	31 Mar 2022 ₹ in 000's	31 Mar 2021 ₹ in 000's
Present Value Of Obligation	1,945	2,707
Fair Value Of Plan Assets	-	-
Liability/ (assets)	1,945	2,707
Unrecognized Past Service Cost	-	-
Liability/ (asset) recognized in the Balance Sheet	1,945	2,707

Movement in the net Liability recognised in the Balance Sheet

	31 Mar 2022 ₹ in 000's	31 Mar 2021 ₹ in 000's
Opening net Liability	2,707	1,931
Expenses	(762)	776
Contribution	-	-
Closing Net Liability	1,945	2,707

Changes in the Present Value of the Obligation and in the Fair Value of the Assets

	31 Mar 2022 ₹ in 000's	31 Mar 2021 ₹ in 000's
Present Value of obligation beginning of the year	2,707	1,931
Interest Cost	184	195
Current Service Cost	569	575
Interest cost on benefit obligation	-	-
Benefits Paid	-	-
Actuarial (gain) loss on Obligation	(1,514)	5
Present Value of obligation end of the Period	1,945	2,707

Actuarial Assumptions are as follows

	31 Mar 2022	31 Mar 2021
	₹	₹
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	7.20%	6.8% p.a
Mortality in Service	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
Salary Escalation	7%.p.a	7%.p.a
Retirement Age	58 Years	58 Years

Note:

Assumptions relating to future salary increases, attrition, interest rate for discount and over all expected rate of return on assets have been considered based on relevant economic factor such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

Average attrition for the purpose of valuation is considered at 5% at younger ages and reducing to 1% at older ages according to graduated scale.

Note 28 - Leasing Transactions

	31 Mar 2022	31 Mar 2021
a. Lease rental charged to Statement of Profit and Loss		
Actual Payment of Lease Rental	6,607	4,754
Lease Equalization Charge to Statement of Profit & Loss	-	22
	6,607	4,776
b. The minimum future lease rentals payable (for non cancellable period) in respect of its corporate office is as follows:-		
i. Not later than one year	-	339
ii. Later than one year but not later than five years	-	-
iii. Later than five years	-	-
	-	339

Note 29 - Related Party Disclosure

A. List of Related Parties and nature of relationship

Name of the Related Party

Vinayak Gan

Abhijeet Gan

Rite Water (India) Private Limited

Rite Water Lake City LLP

Nikhil Gan (Date of Resignation February 28, 2022)

Radhika Dorle

Relationship

Director and Shareholder with significant influence

Director and Shareholder with significant influence

Subsidiary Company

Management Control through 50% profit share

Relative of Director

Relative of Director

B. Transactions with Related Parties:

Name of the Related Party with Relationship and Nature of Transactions

		31 March 2022	31 March 2021
		₹ in 000's	₹ in 000's
Subsidiary Company			
Rite Water Lake City LLP	Expenditure paid on their behalf	1,383	2,450
	Sales of goods	-	193
Key Managerial Personnel			
Vinayak Gan	Loan Taken	-	11,000
	Repayment of Loan with Interest	-	(11,000)
	Interest on Loan - expenses	-	1,080
	Salary - expenses	5,900	5,900
Abhijeet Gan	Salary - expenses	5,900	5,900
Nikhil Gan	Salary - expenses	660	1,500
Radhika Dorle	Salary - expenses	1,800	1,200

Note:- Reimbursement to/from the company are not included in the above

C. Balance (receivable) from and payable to Related Parties:

Particulars

Directors Remuneration Payable
Radhika Dorle - Salary Payable
Rite Water India Pvt Ltd *
Rite Water Lake City LLP **

31 March 2022 ₹ in 000's	31 March 2021 ₹ in 000's
(5,607)	(239)
(595)	-
20	20
26,527	22,492

* fully provided for (PY: Nil)

** out of above receivable amount provided for is ₹ 11,377 (PY: ₹ 7,121).

Note 30 - Earnings / Expenditure (on accrual basis) in foreign currency

	31 March 2022 ₹ in 000's	31 March 2021 ₹ in 000's
Earnings		
Sale of Products	-	-
Expenditure		
Purchases of materials (use of imported stock)	871	1,299

Note 31 - The Company has no outstanding derivatives as at 31 March 2022 (PY - Nil) . Foreign Currency exposures not hedged by derivative instrument or otherwise.

Note 32 - As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard - 17 (AS-17) "Segment Reporting", the management is of the opinion that as the Company's operations comprise in implementing water plants and maintenance services and the activities incidental thereto, there is neither more than one reportable business segment nor more than one reportable geographical segment, therefore, segment information as per AS-17 is not required to be disclosed.

Note 33 - The Company does not have any pending litigations as at 31 March 2022.

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reason
Current ratio (in times)	Current Assets	Current Liabilities	2.32	2.02	15%	
Debt-Equity Ratio (in times)	Debt consists of borrowings	Total shareholder equity	0.17	0.19	-14%	
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustment	Debt service = Interest and lease payments + Principal repayments	1.29	1.30	-1%	
Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	24%	27%	-11%	
Inventory Turnover Ratio (in times)	Cost of goods sold	Average inventory	8.84	6.48	36%	Increase in closing inventory as compared to previous year longer due to increase in volume.
Trade receivable Turnover ratio (in times)	Revenue from operations	Average trade receivables	1.81	2.08	-13%	
Trade Payable Turnover ratio (in times)	Net Credit Purchases	Average trade payables	2.38	2.23	7%	
Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital (Current Asset less Current Liabilities)	2.17	2.35	-8%	
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	20%	19%	6%	
Return on capital employed (ROCE) (in %)	Earning before interest and taxes.	Capital Employed: Tangible Net Worth + Total Debt + Deferred Tax Liability	22%	28%	-21%	
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investment	5%	7%	-36%	Decreased in ratio is due to increase in short term deposit as compared to previous year.

Note 34 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 35 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

Note 36 - The company has identified transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.

Note 37 -

(A). Terms of Preference Shares:

A.1) 2% Preference Shares issued in tranche 1 of ₹ 1,40,00,000/- carries a dividend of 2% (Two percent) per annum. The dividend is cumulative in nature. These shares will have priority over equity shares in payment of dividend & repayment of capital. The shares are also entitled to participate in proportion to its shareholding as if converted basis, in surplus assets and profits in the event of winding-up, which may remain after the preference capital along with any unpaid dividend has been repaid. The holder of preference shares shall have such rights to attend and vote at general meetings of the Company as are attached to equity shares on an as-if converted basis, as are from time to time prescribed by the Act and other applicable Laws and regulations. Company has an option to buy-back or redeem the preference shares on or after April 1, 2016 but on or before December 31, 2021 (as extended by amendment to agreement made from time to time) and only after conversion / redemption of outstanding Debentures into equity shares. In case if shares are not redeemed or bought back as stated above, on January 1, 2022 (as extended by amendment to agreement made from time to time) all outstanding preference shares along with outstanding dividend if any would be converted into equity shares at a rate arrived by using pre-money valuation at 4x of adjusted PAT for year ended March 31, 2020. Dividend for the current year on the preference share is proposed by the Board of Directors and accounted on accrual basis. "

A.2) 2% Preference Shares issued in tranche 2 of ₹ 60,00,000/- carries a dividend of 2% (Two percent) per annum. The dividend is cumulative in nature. These shares will have priority over equity shares in payment of dividend & repayment of capital. The shares are also entitled to participate in proportion to its shareholding as if converted basis, in surplus assets and profits in the event of winding-up, which may remain after the preference capital along with any unpaid dividend has been repaid. The holder of preference shares shall have such rights to attend and vote at general meetings of the Company as are attached to equity shares on an as-if converted basis, as are from time to time prescribed by the Act and other applicable Laws and regulations. Company has an option to buy-back or redeem the preference shares on or after April 1, 2016 but on or before December 31, 2021 (as extended by amended to agreements made from time to time) and only after conversion / redemption of outstanding Debentures into equity shares. In case if shares are not redeemed or bought back as stated above, on January 1, 2022 all outstanding preference shares along with outstanding dividend if any would be converted in equity shares at a rate arrived by using pre-money valuation at 4x of adjusted PAT for year ended March 31, 2020. Dividend for the current year on the preference share is proposed by the Board of Directors and accounted on accrual basis. "

(B). Terms of Unsecured Debentures:

B.1) 8% Unsecured Debenture Tranche-I issued on September 1, 2015 4,00,00,000 with 1-year moratorium period for interest repayment for debenture and thereafter interest to be paid on quarterly basis until they are redeemed or converted @ 8% p.a. At the option of management can be redeemed on or after April 1, 2018 but on or before March 31, 2022 (as extended) at the IRR of 16%. The outstanding debentures or any part thereof, after March 31, 2022, along with unpaid and accrued Interest shall be converted into Equity Shares, on April 1, 2022 at the pre-agreed conversion rate, computed considering pre-money valuation at 4x on adjusted PAT for the year ended March 31, 2020 (as extended by amendment agreements)"

B.2) 8% Unsecured Debenture Tranche-II for issued on July 13, 2018 - ₹ 10,00,00,000 on which interest to be paid on quarterly basis until they are redeemed or converted @ 8% p.a. At the option of management these debentures can be redeemed on or after Sept 30, 2019 but on or before March 31, 2022 at the IRR of 13%. The outstanding debentures or any part thereof, after March 31, 2022, along with unpaid and accrued Interest shall be converted into Equity Shares, on April 1, 2022 at the pre-agreed conversion rate, computed considering pre-money valuation at 4x on adjusted PAT for the year ended March 31, 2020.

C. Redemption Proposal by the Company:

During the year the Company along with its promoters had given an exit option to investor SIDBI Trustee Company Limited a/c Samridhi Fund and proposed (a) redemption of 8% Unsecured Debentures – Tranche I and Preference Shares at 12% IRR and redemption of 8% Unsecured Debentures – Trench II at 13% IRR and (b) buy-back of equity shares at 12% IRR by the Company or its Promoters. Once approved / accepted by the investor the Company and/or Promoters will have 3 months to complete redemption / buy-back of all debentures, preference shares and equity shares. Considering that in-principle approval, the Company had; a)debited ₹ 11,766 thousands to its profit and loss account towards premium payable on redemption on 8% Unsecured Debenture Tranche-I upto March 31, 2022 (FY2022: ₹ (-) 9,842 thousands : In FY2021 for period from 28th December 2015 upto March 31, 2021: ₹ 21,608 thousands. b)debited ₹ 16,802 thousands to its profit and loss account towards premium payable on redemption on 8% Unsecured Debenture Tranche-II for the period upto March 31, 2021. (in FY2022: ₹ 3,532 thousands: FY2021: ₹ 4,674 thousands) c)debited ₹ 19,514 thousands to its securities premium account towards premium payable on redemption of preference shares on 2% Cumulative Preference Shares upto March 31, 2022 (FY2022: ₹ (-)4,306 thousands; In FY 2021 - from June 1, 2015 to March 31, 2021- ₹ 23,820 thousands). Pending agreement / acceptance / confirmation on method of effecting the buy-back of equity shares by the Company or its promoters, no amount was debited to statement of profit and loss account or other reserves, as applicable towards such buy-back. However, upto the date of signature on the financial statements for the year ended March 31, 2022, company had neither received an approval for the proposal of redemption nor converted preference shares and debentures to equity shares as per the terms of respective shareholders agreements / investment contracts. Both investor and company has exchanged communication that pending discussions, all conversions could be deferred upto December 31, 2022.

In accordance with the assumptions considered during last year, had the company converted 8% Unsecured Debenture Tranche-I & Tranche II and 2% Cumulative Preference Shares into equity shares on the respective dates instead of redemption, profit before and after tax for the year would have been higher by ₹ 28,568 thousands (on account of reversal of cumulative charge already taken upto year ended March 31, 2022) and net worth of the Company as reported in the financials would have been higher by ₹ 48,082 thousands, earning per shares (basic) and earning per share (dilutive) would have been at ₹ 48.95 per share.

Note 38 - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 39 - The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period..

Note 40 - The Company does not have any Benami property where any proceeding has been initiated or pending against the company to holding any Benami property.

Note 41 - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

Note 42 - The Company has not received any fund from any person(s) or entity (ies) including foreign entities (Funding Party) with to understanding (whether recorded in writing or otherwise) that the Company shall :

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 43 - The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any of relevant provisions of the Income Tax Act. 1961.

Note 44 - The Company is a private limited company, therefore the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

Note 45 - The Company has not paid any dividend during the year in accordance with section 123 of the Companies Act 2013.

Note 46 - Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification.

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

For and On behalf of the Board
Rite Water Solutions India Private Limited

Dhiraj Kumar Birla
Partner
Membership No: 131178
UDIN:

Abhijeet Gan
Director
DIN: 01350305

Vinayak Gan
Director
DIN: 01581401

Mumbai

Rite Water Solutions India Private Limited

Corporate Identification Number: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

Notes to the Standalone Financial Statements (contd..)


9. Property, plant and equipments and intangible assets										
DESCRIPTION	AT COST				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At	Additions	Deductions	As At	Upto 31 March	For the Year	Deduction/	Upto	As At	As At
	31 March 2021	During the year	during the year	31 March 2022	2021		Adjustments	31 March 2022	31 March 2022	31 March 2021
	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's	₹ in 000's
Tangible Assets										
Land	1,054	-	-	1,054	-	-	-	-	1,054	1,054
Factory Shed	3,613	-	-	3,613	1,906	114	-	2,020	1,593	1,707
Plant & Machinery	3,461	1,047	11	4,497	634	235	8	861	3,636	2,827
Computers, Printers etc.	2,275	764	328	2,711	1,784	370	318	1,836	875	491
Office Equipments	2,058	271	19	2,310	1,531	185	11	1,705	605	527
Furniture & Fixtures	682	219	-	901	253	66	-	319	582	429
Vehicles	5,709	-	16	5,693	2,460	679	13	3,126	2,567	3,249
TANGIBLE ASSET (A)	18,852	2,301	374	20,779	8,568	1,649	350	9,867	10,912	10,284
Intangible Assets										
Software	258	240	-	498	247	109	-	356	142	11
INTANGIBLE ASSET (B)	258	240	-	498	247	109	-	356	142	11
TOTAL (A+B)	19,110	2,541	374	21,277	8,815	1,758	350	10,223	11,054	10,295
As on 31 March 2021	18,727	654	270	19,111	7,127	1,958	270	8,815	10,295	11,600