

ANNUAL REPORT  
OF  
QUALITY RO INDUSTRIES  
LIMITED  
FOR  
FINANCIAL YEAR 2022-23

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## **CORPORATE INFORMATION**

### **Board of Directors**

<b>Name</b>	<b>Designation</b>
Mr. Vivek Dholiya	Chairman cum Managing Director
Mrs. Damini Dholiya	Whole Time Director
Mr. Shirish Amrutlal Kotadia	Non- Executive Independent Director
Mr. Ankit Jagdishbhai Kansara	Non- Executive Independent Director
Mr. Pankil Anilbhai Gandhi	Non- Executive Director

### **COMPLIANCE OFFICE & COMPANY SECRETARY**

Ms. Priyanka Patni (w.e.f. 16 February, 2023)

### **STATUTORY AUDITORS**

**M/s. Doshi Doshi & Company**

Chartered Accountants

### **INTERNAL AUDITORS**

**Ms. Priyanka Patni**

**SECRETARIAL AUDITOR**

**M/S Dilip Swarnkar & Associates**

Company Secretaries

**BANKER OF COMPANY:**

1. HDFC Bank
2. Kalupar Commercial Bank

**REGISTERED OFFICE:**

Plot No. 09, Por Industrial Park,  
NH 08 Behind Sahayog Hotel,  
Village Por Vadodara - 391243  
**Email:** [vivek@qualityro.in](mailto:vivek@qualityro.in)  
**Web:** <https://qualityro.in/>

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

D - 153A, 1st Floor, Okhla Industrial Area Phase - I,  
New Delhi – 110020  
Tel No.: 91 - 11 - 40450193 - 197  
Email: [compliances@skylinerta.com](mailto:compliances@skylinerta.com)  
Website: [www.skylinerta.com](http://www.skylinerta.com)  
Contact Person: Mr. Vitendra Singh  
SEBI Registration No.: INE00003241

Equity Shares ISIN code - INE0KAF01018

**Listed on Stock Exchange - BSE SME platform**

**NOTICE IS HEREBY GIVEN THAT THE 2<sup>nd</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF QUALITY RO INDUSTRIES LIMITED WILL BE HELD ON FRIDAY, 29<sup>TH</sup> DAY OF SEPTEMBER, 2023 AT 11:00 AM AT PLOT NO. 09, POR INDUSTRIAL PARK, NH 08 BEHIND SAHAYOG HOTEL, VILLAGE POR VADODARA GJ 391243**

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**Ordinary Business:**

**1. Adoption of Annual Financial Statements of Company:**

- a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
- b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon.

**2. Re-appointment of Mrs. Damini Dholiya (DIN: 09340903), the retiring director:**

To appoint a director in place of **Mrs. Damini Dholiya (DIN: 09340903)** who retires by rotation and being eligible, offers herself for re-appointment.

**3. Appointment of Statutory Auditor of Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of earlier Board Resolution dated 19<sup>th</sup> June, 2023 and recommendation of Audit Committee and as per approval of the Board of Director in their meetings held on 06<sup>th</sup> September, 2023, the approval of the members be and is hereby accorded for appointment of M/s. Doshi Doshi & Co, Chartered Accountants having Firm Registration No. 153683W, as the Statutory Auditors to hold office for the period of 5 years i.e., from F.Y. 2023-24 to 2027-28 viz. from the conclusion of this 2<sup>nd</sup> AGM of Company till the conclusion of its 7<sup>th</sup> AGM, to be held in the year 2028 on such remuneration as may be recommended by the Audit Committee and approved Board of Directors of the Company in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them.”

**RESOLVED FURTHER THAT**, any of the Director be and is hereby authorised to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**Special Business:**

**4. Approval for Related Party Transactions with Jay Ambe Trading (Proprietorship Firm):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions *if any*, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of members be and is hereby accorded for entering into contract(s)/ arrangement(s)/ transaction(s) with **Jay Ambe Trading, (Proprietorship Firm)** a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase or sale of Goods or Material of Company , on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 3 Crores for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT**, the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**5. Approval for Related Party Transactions Jay Ambe Transport, (Proprietorship Firm):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions *if any*, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of members be and is hereby accorded for entering into contract(s)/ arrangement(s)/ transaction(s) with **Jay Ambe Transport, (Proprietorship Firm)**, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase or sale of Goods or Material of Company, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 3 Crores for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company;

**RESOLVED further that** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**By Order of the Board of Directors  
For Quality RO Industries Limited**

Sd/-

**Vivek Dholiya  
Managing Director  
DIN: 09340902  
Place: Vadodara  
Date: 06<sup>th</sup> September, 2023**

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy and such Proxy shall not act as a Proxy for any other Member.

The Proxy form is annexed with this Notice. The instrument appointing the Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting.

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting ("the Meeting") are requested to send to the Company a certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company by such Member.

2. The Explanatory Statement pursuant to Section 102 of the Act, in respect of the Special Business mentioned in Item No. 3 & 4 of the accompanying Notice is annexed hereto.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
5. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Directors seeking Re-appointment in the 2<sup>nd</sup> Annual General Meeting is annexed to this Notice.
6. The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested will be available for inspection at the Meeting.
7. All the documents referred to in the Notice are annexed thereto including the Annual Report for the financial year 2022-23 and Notice of the 2<sup>nd</sup> Annual General Meeting are open for inspection by the Members, without any fees, at the Corporate Office at Plot No. 09, Por Industrial Park, NH 08 Behind Sahayog Hotel, Village Por Vadodara Vadodara- 391243 of the Company between 11.00 A.M and 01.00 P.M on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by

Members at the Meeting.

Members holding shares in physical form are requested to approach, Skyline Services Private Limited the Registrar and Share Transfer Agents of the Company situated at D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi 110 020, India, for:

- (a) intimating any change in their address and/or bank mandate;
  - (b) submitting requests for transfer, transmission, name change, split, consolidation, etc.;
  - (c) nominating any person to whom the shares shall vest in the event of death;
  - (d) updating/registering their e-mail address for correspondence; and
  - (e) Any other queries with respect to shares held by them.
8. Members holding shares in electronic form are hereby informed that the Company or its Registrar cannot act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.
  9. Members who have not registered their e-mail address for receiving all communications including Annual Report, Notices and Circulars, etc. from the Company electronically, are requested to register the same with their Depository Participants (for shares held in electronic form) and with Skyline Services Private Limited, the Registrar and Share Transfer Agents of the Company (for shares held in physical form). Members, who have registered their e-mail address, are also entitled to receive such communication in physical form, upon request.
  10. The Board of Director vide resolution dated 06<sup>th</sup> August, 2023 has appointed M/s Ramraj Thakur & Associates, Practicing Company Secretaries as scrutinizer for the Annual General Meeting of the Company.
  11. Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the e-voting facility shall be provided to shareholders in compliance with the conditions specified under Companies (Management and Administration) Rules, 2014, or amendments thereto. However, the Company, being listed on the SME platform of BSE, has been exempted from complying with e-voting requirements vide MCA Notification dated 19<sup>th</sup> March, 2015 by Amendment in Rule 20 of the Companies (Management and Administration) Rules, 2014. Hence pursuant to the aforementioned notification, the e-voting facility has not been provided.
  12. The Annual Report for the financial year 2022-23 and Notice of the 2<sup>nd</sup> Annual General Meeting, inter- alia, indicating the process and manner of voting along with Attendance Slip and Proxy Form are being sent in electronic mode to all the Members holding shares in dematerialized form and having their e-mail address registered with their Depository Participants and such other Members who have positively consented in writing to receive the same by electronic mode. Further physical copies of the above-mentioned documents are being sent to all other Members by the permitted mode. Members, who have received the above documents in electronic mode, are entitled to receive the same, free of cost, in physical form, upon making a request in this regard to Skyline Services Private Limited, the Registrar and Share Transfer Agents of the Company or to the Company. The

abovementioned documents are also available for download on the Company's website i.e. [www.qualityro.in/](http://www.qualityro.in/) and on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.

**By Order of the Board of Directors**

**For Quality RO Industries Limited**

Sd/-

**Vivek Dholiya**  
**Managing Director**  
**DIN: 09340902**

**Place: Vadodara**

**Date: 06<sup>th</sup> September, 2023**



## **EXPLANATORY STATEMENT:**

**The following explanatory statement pursuant to Section 102 of the Act sets out the material facts relating to the special business mentioned in the Notice of the AGM.**

### **ITEM No. 4 -**

Pursuant to Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

As per recommendation of Audit Committee meeting held on May 27, 2023, the Board of Directors in their meeting held on May 27, 2023 had approved the Related Party Transaction i.e. sales and purchase of Building materials with M/s Jay Ambe Trading (proprietorship firm) of value not exceeding of Rs. 3,00,00,000/- (Rupees Three Crores Only) for a period of current financial years i.e. 2023-24.

Accordingly, transaction(s) to be entered into with M/s Jay Ambe Trading (proprietorship firm) comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed there under read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with M/s Jay Ambe Trading (proprietorship firm) for a period of current financial years i.e. 2023-24.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with M/s Jay Ambe Trading (proprietorship firm) are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Remarks</b>
1	Name of the Related Party	M/s Jay Ambe Trading (proprietorship firm)
2	Name of the Director or KMP who is related	Mr. Vivek Dholiya & Mrs. Damini Dholiya
3	Duration of the Contract or Arrangement including the value, if any	For Financial Year 2023-24
4	Nature of relationship;	Mr. Vivek Dholiya & Mrs. Damini Dholiya are interested Director in the Company.
5	Nature, material terms, monetary value and particulars of the contract or arrangement	Sales and Purchase of Building materials like sand, aggregate, metal, soil, dust, Wet mix macadam (WMM) etc. for monetary value of aggregate transaction of this arrangement is expected to Rs. 3,00,00,000/- (Rupees Three Crores Only) for a period of current financial years i.e. 2023-24.
6	Any other information relevant or important for the members to take a decision on the proposed resolution	NIL

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except Mr. Vivek Dholiya and Mrs. Damini Dholiya and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Directors recommend the Ordinary Resolution as set out at Item No. 4 of the accompanying Notice, for Members' approval.

**ITEM No. 5 -**

Pursuant to Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

As per recommendation of Audit Committee meeting held on May 27, 2023, the Board of Directors in their meeting held on May 27, 2023 had approved the Related Party Transaction i.e. sales and purchase of Building materials with M/s Jay Ambe Transport (Proprietorship Firm) of value not exceeding of Rs. 3,00,00,000/- (Rupees Three Crores Only) for a period of current financial years i.e. 2023-24.

Accordingly, transaction(s) to be entered into with M/s Jay Ambe Transport (proprietorship firm) comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed there under read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with M/s Jay Ambe Transport (proprietorship firm) for a period of current financial years i.e., 2023-24.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with M/s Jay Ambe Transport (proprietorship firm) are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Remarks</b>
1	Name of the Related Party	M/s Jay Ambe Transport (proprietorship firm)
2	Name of the Director or KMP who is related	Mr. Vivek Dholiya & Mrs. Damini Dholiya
3	Duration of the Contract or Arrangement including the value, if any	For Financial Year 2023-24
4	Nature of relationship;	Mr. Vivek Dholiya & Mrs. Damini Dholiya are interested Director in the Company.
5	Nature, material terms, monetary value and particulars of the contract or arrangement	Sales and Purchase of Building materials like sand, aggregate, metal, soil, dust, Wet mix macadam (WMM) etc. for monetary value of aggregate transaction of this arrangement is expected to Rs. 3,00,00,000/- (Rupees Three Crores Only) for a period of current financial years i.e. 2023-24.
6	Any other information relevant or important for the members to take a decision on the proposed resolution	NIL

Except Mr. Vivek Dholiya and Mrs. Damini Dholiya and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Directors recommend the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice, for Members' approval.

**By Order of the Board of Directors  
For Quality RO Industries Limited**

Sd/-

**Vivek Dholiya**

**MANAGING DIRECTOR**

**DIN: 09340902**

**Place: Vadodara**

**Date: 06<sup>th</sup> September, 2023**

**Annexure - A**

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Directors seeking Re-appointment in the 2<sup>nd</sup> Annual General Meeting of Company:

<b>Name of the Director</b>	<b>Mrs. Damini Dholiya</b>
<b>Director Identification Number</b>	09340903
<b>Date of Birth</b>	04/12/1992
<b>Date of Appointment</b>	30 <sup>th</sup> September, 2021
<b>Age</b>	31
<b>Terms and Conditions of appointment</b>	She has been appointed for the period of 5 years with liability to retire by rotation and Rs. 10,000/- per month remuneration.
<b>Details of remuneration sought to be paid during F.Y. 2023-24</b>	Upto Rs. 10,000/- per month
<b>Details of remuneration drawn during the F.Y. 2022-23</b>	<b>Rs. ,1,20,000/-</b>
<b>Qualifications</b>	Master of Science (M.SC)
<b>Brief Resume of the Director</b>	She has an experience of around 3 years in our industry and manages the entire administration of the Company. She has sound knowledge of accounting and commercial matters.
<b>Expertise in specific functional areas</b>	Administration of Company Matters
<b>Other listed companies in which she holds Directorship and Membership of Committee of Board (along with listed entities from which she has resigned in the past three years)</b>	None
<b>Chairperson/Member of Committee(s) of Board of Directors of the Company</b>	<b>Stakeholders Relationship Committee - Member</b>
<b>Shareholding of non-executive directors [in the listed entity, including shareholding as a beneficial owner];</b>	None
<b>Shareholding in Company (Equity)</b>	69,790 Equity Shares; (2.74% of total Paid up shares Capital)
<b>Disclosure of relationships between directors inter-se;</b>	Mrs. Damani Dholiya is Wife of <b>Mr. Vivek Dholiya</b> , Managing Director of Company.
<b>The number of Meetings of the Board attended during the year</b>	07

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Re-appointment of Statutory Auditor in the 2<sup>nd</sup> Annual General Meeting of Company:**

**Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;**

The Board of Directors of Company has proposed to pay the Audit fees of Rs. 1,00,000/- per annum and other fees/charges for accounting and financial work as mutually decided between board and Auditor for their appointment in the Company for the period of 5 financial year i.e. from 2023-24 to 2027-28. As per rules of ICAI, the Statutory Auditor of listed Company must be certified by Peer Review Board Auditor. Further no any material changes in fees payable to the said Auditor for the proposed appointment period of 5 years as compare to previous Auditor for financial year 2022-23.

**A) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed:**

M/s Doshi Doshi & Co, Chartered Accountants have an expertise in providing Auditing, finance, legal, taxation, assurance & regulatory services & focusing on business excellence.

**Form No. MGT-11**

**Proxy Form**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN: U29308GJ2021PLC126004  
Name of the Company: **QUALITY RO INDUSTRIES LIMITED**  
Registered Office: Plot No. 09, POR Industrial Park, NH 08 Behind Sahayog Hotel,  
Village POR, Vadodara-391243

E-mail Id:  
Folio No./Client Id:  
DP. Id:

I/We, being the Member(s) of ..... shares of the above-named Company, hereby appoint

1.

Name: .....

Address:

E-mail Id:

Signature....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2<sup>nd</sup> Annual General Meeting of the Company, to be held Friday, 29<sup>th</sup> day of September, 2023, at Plot No. 09, POR Industrial Park, NH 08 Behind Sahayog Hotel Village POR, Vadodara-391243 at 11:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. To approve the Audited Standalone and consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Damini Dholiya (DIN: 09340903) who retires by rotation and being eligible, offers himself for re-appointment
3. To Appoint M/s Doshi Doshi & Company, Chartered Accountants having Firm Registration No. – 153683W as Statutory Auditor of Company for the period of 5 years.
4. To approve the Related Party Transactions with Jay Ambe Trading (Proprietorship Firm)
5. To approve the Related Party Transactions with Jay Ambe Transport (Proprietorship Firm)

Signed this day of 2023

Affix Revenue Stamp
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Signature of  
shareholder  
Signature of Proxy  
holders(s)

**Notes:**

- 1) This Form of the proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carry voting rights.
- 4) If a member holding more than 10% of the total share capital carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member.
- 5) In case of Joint holder, the vote of the senior who tender as vote, whether in person or by proxy, shall be accepted to the exclusion to the vote of other joint holders. Seniority shall be determined by the order in which the name stand in the register of members.
- 6) This is optional please put a tick mark  (✓) in appropriate column against the resolution indicated above. In case of members wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns "For", "Against". In case the members leave the column(s) blank, the proxy will be entitled to vote in the manner he/she thinks appropriate.

### **Notes for Proxy Form**

1. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than **FORTY- EIGHT HOURS** before the commencement of the Meeting. Proxies may be accepted at a shorter period, being not less than twenty-four hours before the commencement of the Meeting, if the Articles so provide.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. This form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in personal voting at the Meeting.
6. **\*\*This is optional.** Please put a tick mark (√) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the 'For' or 'Against' column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular Resolution, he/she should write "Abstain" across the boxes against the Resolution.
7. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns 'For' or 'Against' as appropriate.
8. An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof.
9. An instrument of Proxy is valid only if it is properly stamped. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.
10. The Proxy-holder should prove his identity at the time of attending the meeting.
11. An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.
12. A proxy form which does not state the name of the Proxy should not be considered valid.
13. If an undated Proxy, which is otherwise complete in all respects, is lodged within the prescribed time limit, it should be considered valid. If a company receives multiple Proxies for the same holdings of a Member, the proxy which is dated last is considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies should be treated as invalid.

14. If a Proxy had been appointed for the original Meeting and such Meeting is adjourned, any Proxy given for the adjourned Meeting revokes the Proxy given for the original Meeting.
15. A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.
16. A Proxy is valid until written notice of revocation has been received by the company before the commencement of the Meeting or adjourned Meeting, as the case may be. A Proxy need not be informed of the revocation of the Proxy issued by the Member. Even an undated letter of revocation of Proxy should be accepted. Unless the Articles provide otherwise, a notice of revocation should be signed by the same person who had signed the Proxy.
17. Requisitions, if any, for inspection of Proxies should be received in writing from a Member at least three days before the commencement of the Meeting.
18. Proxies should be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.



**ATTENDANCE SLIP**

**To be surrendered at the time of entry**

Folio No./Client ID:.....

No. of Shares: .....

Name of Member/Proxy:.....

I hereby record my presence at the 2<sup>nd</sup> Annual General Meeting of the Company on Friday, 29<sup>th</sup> day of September, 2023, at Plot No. 09, POR Industrial Park, NH 08 Behind Sahayog Hotel, Village POR, Vadodara-391243 at 11:00 AM.

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Member's/Proxy's  
Signature

Notes:

1. Please refer to the instructions printed under the Notes to the Notice of the 2<sup>nd</sup> Annual General Meeting.
2. Shareholders/Proxy holders are requested to bring the attendance Slip with them when they come to the meeting.
3. No attendance slip will be issued at the time of meeting.
4. Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them, as spare copies will not be available at the meeting.

## DIRECTOR'S REPORT

To,  
The Members,  
**QUALITY RO INDUSTRIES LIMITED**

Your directors have pleasure in submitting their 2<sup>nd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2023.

### **1. FINANCIAL PERFORMANCE:**

The Financial performance of the Company during the year was as under:

#### **Consolidated & Standalone Financials:**

(Amount In Lakhs.)

PARTICULARS	Standalone Financials		Consolidated Financials	
	2022-23	2021-22	2022-23	2021-22
Income from operations	552.05	97.35	552.05	NA
Other Income	7.69	3.97	7.69	NA
Total revenue	<b>559.73</b>	<b>101.31</b>	<b>559.73</b>	NA
Total Expenses	<b>564.31</b>	<b>90.91</b>	<b>564.31</b>	NA
Profit before tax	-4.58	10.40	-4.58	NA
Current Tax	-	1.62	-	NA
Deferred Tax Charge	-1.11	-6.12	-1.11	NA
MAT Credit	-1.62	0	-1.62	NA
Profit from Continuing Operations after Tax (PAT)	-1.85	14.90	-1.85	NA

### **2. BUSINESS OPERATION:**

During the year under the review, the Company has informed net loss Rs. 1.85 lakhs. Your directors are expecting robust growth in near future.

The Gross income from operations of your Company is Rs. 552.05 Lakhs, The net loss after tax for the year under review is Rs. 1.85 Lakhs.

### **3. DIVIDEND**

The Board of Directors' do not recommend any dividend for the year under review due to retain the profit for business Growth. Further Board of Directors will also ensure you for more better performance and good result in the near future of the Company.

**4. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

The Company has inserted new object clauses in the Memorandum of Associations of Company through approval of Shareholders by Postal Ballot on 12<sup>th</sup> February, 2023. Except that there is no other change in its nature of business of Company during the year under review.

**5. AMOUNT TRANSFERRED TO RESERVES**

The Company has not transferred its profits into Reserves & Surplus Account during the year under review.

**6. ANNUAL RETURN:**

As per Section 92(3) of Companies Act, 2013, the draft copy of Annual Return of company in form MGT - 7 has been uploaded on the website of Company and web link of the same <https://www.qualityro.in/>

**7. NUMBER OF BOARD MEETINGS/COMMITTEE/SHAREHOLDERS MEETINGS CONDUCTED DURING THE YEAR:**

During the year ended March 31, 2023, the Board met 7 times. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 (the “Act”). Required quorum was present throughout each meeting as per the requirement of the said Act, the details of Board meetings are given below;

**I. AUDIT COMMITTEE**

The audit committee of the Company is constituted under the provisions of section 177 of the Companies Act, 2013.

**Composition of the Committee:**

1. Mr. Pankil Anilbhai Gandhi, Non-Executive, Independent Director (Chairman);
2. Mr. Shirish Amrutlal Kotadia, Non-Executive, Independent Director (Member);
3. Mr. Vivek Dholiya, Managing Director (Member)
4. Ms. Priyanka Patni (Secretary of the Committee)

**Meeting of Audit Committee and Relevant Quorum:**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

During the year under review, the Company held five Audit Committee meetings.

**II. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted under the provisions of section 178 of the Companies Act, 2013.

**Composition of the Committee:**

1. Mr. Shirish Amrutlal Kotadia, Non-Executive, Independent Director (Chairman);
2. Mr. Ankit Jagdishbhai Kansara, Non-Executive, Independent Director (Member);
3. Mr. Pankil Anilbhai Gandhi, Non-Executive Director (Member)
4. Ms. Priyanka Patni (Secretary of the Committee)

**Meeting of Nomination and Remuneration Committee and Relevant Quorum:**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

During the year under review, the Company held two Nomination and Remuneration Committee meeting.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted under the provisions of section 178 of the Companies Act, 2013.

Composition of the Committee:

1. Mr. Ankit Jagdishbhai Kansara, Non-Executive Director (Chairman)
2. Mr. Pankil Anilbhai Gandhi, Non-Executive, Independent Director (Member)
3. Mrs. Damini Dholiya, Whole-Time Director (Member)
4. Ms. Priyanka Patni (Secretary of the Committee)

**Meeting of Stakeholder's Relationship Committee and Relevant Quorum:**

The stakeholder's Relationship committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

During the year under review, the Company held one Stakeholder's Relationship Committee meeting.

**IV. SHAREHOLDER'S MEETING:**

Sr. No.	General Meeting Date	Business Transacted in the Meeting	Type of Meeting
1.	10/09/2022	1. Audited Standalone Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2022 together with the Reports of the Board of Directors and Auditors thereon. 2. Re-appointment of Mrs. Damini Dholiya (DIN: 09340903), who retiring director by rotation. 3. Appointment of M/s. A.Y. & Company, Chartered Accountants, Mumbai (FRN -020829C) as the Statutory Auditors of the company to hold office for the period of financial Year 2022-23 viz. from the conclusion of this 1 <sup>st</sup> AGM of Company till the conclusion of its 2 <sup>nd</sup>	AGM

		AGM. 4. Approval for Related Party Transactions with Jay Ambe Trading (Proprietorship Firm) 5. Approval for Related Party Transactions with Jay Ambe Trading (Proprietorship Firm)	
2.	12-02-2023	1. Increase in the Authorised Capital of the Company 2. Alteration in Capital Clause of the Memorandum of Association of the Company; 3. Alternation of object clause in the Memorandum of Associations of Company; 4. Consider and approve further issue of equity shares on Preferential Basis:	Postal Ballot

#### **V. INTERNAL COMPLAINT COMMITTEE:**

Pursuant to the provision Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”), the Company has constituted Internal Complaint Committee. Further Company has zero tolerance for sexual harassment for women at workplace.

During the financial year 2022-23, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31<sup>st</sup> March, 2023.

#### **VI. MEETING OF INDEPENDENT DIRECTOR:**

The Meeting of the Independent Director held on 11<sup>th</sup> November, 2022.

#### **8. DECLARATION OF THE INDEPENDENT DIRECTORS:**

All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

#### **9. DETAILS OF SUBSIDIARY/JOINT VENTURE/HOLDING COMPANY:**

The Company has No Subsidiary and, there is no any Joint Venture or Holding Company of our Company.

#### **10. CHANGES IN SHARE CAPITAL:**

During the year under review, the authorized share capital of Company has been increased from Rs. 2,00,00,000 (Rupees Two Crore) divided into 20,00,000 (Twenty Lakh Only) equity shares of the face value of Rs. 10 (Rupees Ten) each to Rs. 3,50,00,000 (Rupees Three Crore Fifty Lakh Only) divided into 35,00,000 (Thirty-Five Lakhs Only) equity shares of the face value of Rs. 10 (Rupees Ten) each pursuant to resolution of shareholders passed on 12<sup>th</sup> February, 2023 by Postal Ballot.

Further during the year under review, the Company has increased Paid-up Share capital of Company as per details mentioned below:

<b>Sr. No.</b>	<b>Date of Allotment</b>	<b>Nature of allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Cumulative No. of Equity Shares</b>
1	23-02-2023	Preferential Basis	6,20,000	25,50,000

The Company has, during the year under review, neither issued any Equity shares with differential voting rights nor any shares (including sweat equity shares) to its employees under any scheme.

#### **11. DIRECTORS'S RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (i) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the Company has followed the applicable accounting standards and there are no material departures from the same.
- (ii) Accounting policies were adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company as at 31<sup>st</sup> March 2023 and of the Profit of the Company for year ended on that date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act of safeguarding the assets of the Company and for preventing/detecting fraud and irregularities have been taken.
- (iv) The Directors have prepared Annual Accounts on a "Going Concern" basis.
- (v) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **12. PERFORMANCE EVALUATION:**

The Board of Directors carried out an annual evaluation of the Board itself, its committees and individual Directors. The entire Board carried out performance evaluation of each Independent Director excluding the Independent Director being evaluated. The Nomination Remuneration Committee also carried out evaluation of every director's performance.

The evaluation was done after taking into consideration inputs received from the Directors, setting out parameters of evaluation. Evaluation parameters of the Board and Committees were mainly based on Disclosure of Information, Key functions of

the Board and Committees, Responsibilities of the Board and Committees, etc. Evaluation parameters of Individual Directors including the Chairman of the Board and Independent Directors were based on Knowledge to Perform the Role, Time and Level of Participation, Performance of Duties and Level of Oversight and Professional Conduct etc.

Independent Directors in their separate meeting evaluated the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole.

### **13. CORPORATE GOVERNANCE:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 exempts companies which have listed their specified securities on SME Exchange from compliance with corporate governance provisions.

Since the equity share capital of your Company is listed exclusively on the SME Platform of BSE, the Company is exempted from compliance with Corporate Governance requirements, and accordingly the reporting requirements like Corporate Governance Report, Business Responsibility Report etc. are not applicable to the Company. However, the Company is in compliance to the extent of applicable sections of Companies Act, 2013 with regard to Corporate Governance.

### **14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis report has been separately furnished as **Annexure - I** in the Annual Report and forms a part of the Annual Report.

### **15. POLICIES AND DISCLOSURE REQUIREMENTS:**

In terms of provisions of the Companies Act, 2013 the Company has adopted following policies which are available on its website <https://quality.in>

- Whistle Blower Policy
- Archival & Preservation Policy
- Code Of Business Conduct & Ethics for Directors & Senior Management
- Policy for determination of Materiality & disclosure of Material Events
- Policy for making payment to non-Executive director
- Policy on determination of Material Related Party Transactions
- Risk Management Policy
- Code of Conduct for prevention of Insider Trading
- Terms & Conditions for Appointment of Independent Directors
- Nomination and Remuneration Policy

### **16. COMPANY'S POLICY RELATING TO APPOINTMENT, PAYMENT OF REMUNERATION TO DIRECTORS AND DISCHARGE OF THEIR DUTIES:**

Pursuant to the provision of Section 178 of the Companies Act, 2013 and at the recommendation of Nomination and Remuneration Committee has devised Nomination and Remuneration Policy relating to appointment of Key Managerial

Personnel and Directors, Director's qualifications, positive attributes, independence of Directors and their remuneration and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company did not give Loans, provided Guarantees, and made Investments pertaining to section 186 of Companies Act, 2013 during the financial year under review.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

All related party transactions that were entered during the financial year were arm's length basis and were in the ordinary course of business. No materially significant related party transactions which required the approval of members, were entered into by the Company during the Period under review. Further, all related party transactions entered into by the Company are placed before the Audit Committee for its approval.

The particulars of the contracts or arrangements entered into by the Company with related parties as referred to in Section 134(3)(h) read with section 188(1) of the Act and rules framed thereunder, in the Form No. AOC-2 are annexed and marked as **Annexure-II**.

**19. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India while organizing the Board and Annual General Meetings.

**20. MATERIAL CHANGES AND COMMITMENT:**

During the year under review, no material changes and commitments affecting the financial position of the Company occurred during the year and between the end of the financial year to which these financial statements relate and on the date of this report.

**21. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

There was no any application filed or any proceeding pending under Insolvency and Bankruptcy Code, 2016 (31 Of 2016) during the year under review. Hence the same is not applicable to Company.



**22. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

The Company did not settle any loan amount with Bank or Financial Institution during the period under review. Hence the same is not applicable to Company.

**23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(A) CONSERVATION OF ENERGY:**

The Company has been continuously making efforts to reduce energy consumption. The management is striving to achieve cost reduction by economical usage of energy.

**(i) The steps taken or impact on conservation of energy:**

The Company has been continuously making efforts to reduce energy consumption and the management is striving to achieve cost reduction by economical usage of energy.

**(ii) The steps taken by the company for utilising alternate source of energy:**

As the Company needs only minimum level of energy, it has not looked in to an alternative source of energy.

**(iii) The capital investment on energy conservation equipment:**

The Company has not made any capital investment as it is not required at this stage.

**(B) TECHNOLOGY ABSORPTION:**

The Company is not utilizing any alternate source of energy.

**(C) FOREIGN EXCHANGE EARNINGS AND OUT GO:**

During the period under review, the company have the foreign exchange earnings and out go is NIL.

**24. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

**25. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company as on March 31, 2023. Hence, your Company is not required to adopt the CSR Policy or constitute CSR Committee during the year under review.

**26. DEPOSITS:**

The company has not accepted/renewed any deposits during the year under review.

**27. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:**

The Board is duly constituted according to the provisions of the Company Act.

The Directors on the Board have submitted notice of interest under Section 184(1), intimation under Section 164(2) of the Companies Act, 2013 and declaration as to compliance with the Code of Conduct of the Company.

The present Directors of the Company are Mr. Vivek Dholiya, Mrs. Damani Dholiya, Mr. Shirish Amrutlal Kotadia, Mr. Ankit Jagdish bhai Kansara, Mr. Pankil Anilbhai Gandhi.

Mr. Narendra Gupta Resigned and Ms. Priyanka Patni (KMP) has been appointed by the Company during the year under review on the respective date and designations as per details as mentioned below:

<b>Sr. No.</b>	<b>Name of Director/ KMP</b>	<b>Designation</b>	<b>Promoter/ Independent/KM P/Professional</b>	<b>Executive/ Non-Executive</b>	<b>Date of Appointment/ Resignation</b>
1	Narendra Gupta	Company Secretary	KMP	NA	Resigned w.e.f. 06-01-2023
2	Priyanka Patni	Company Secretary	KMP	NA	Appointed w.e.f. 16-02-2023

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company, Mrs. Damani Dholiya retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re- appointment.

**28. AUDITORS:**

**A. STATUTORY AUDITORS AND THEIR REPORT:**

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and as per recommendation of Audit Committee and approval of the Board of Director in their meetings held on 06<sup>th</sup> September, 2023 M/s Doshi Doshi & Co, Chartered Accountants (Firm Registration No. 153683W) has been appointed as Statutory Auditor of Company for the period of 5 years i.e. from F.Y. 2023-24 to 2027-28

viz. from the conclusion of this 2<sup>nd</sup> AGM of Company till the conclusion of its 7<sup>th</sup> AGM, to be held in the year 2028 subject to approval of shareholders in the ensuing General Meeting of Company.

The Company has received written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in the terms of provisions of Section 139 and 141 of the Act and rules framed there under.

Further there is no qualifications, reservations or adverse remarks made by the Statutory Auditor of Company in their Audit Report for the year under review.

**B. INTERNAL AUDITOR:**

The Company has appointed M/s. Nirbhik Gandhi & Associates, Chartered Accountants (Firm Reg. No. 018723C) as an Internal Auditor for conducting the Internal Audit of the Company for the Financial year 2022-23. For F.Y. 2023-24, Ms. Priyanka Patni has been appointed as Internal Auditor of Company.

**C. SECRETARIAL AUDITOR AND THEIR REPORT:**

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Dilip Swarnkar & Associates, Company Secretaries, as Secretarial Auditors for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is set out in **Annexure – III** to this Report.

There is no qualifications, reservations or adverse remarks made by the Secretarial Auditor of Company in their Audit Report for the year under review.

**29. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, Secretarial Auditors and External Consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2022-23.

**30. INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**31. COST AUDITOR:**

As per provision of section 148(3) of Companies Act, 2013 and rule 6(2) of

Companies (Cost records and audit) Rules, 2014, the Company is not required to appoint a cost auditor to audit the cost records of the Company.

### **32. PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

a) Ratio of remuneration of each Director to the employees' median remuneration:

<b>Name of Director/KMP</b>	<b>Designation</b>	<b>Remuneration p.a. (Rs.)</b>	<b>Ratio</b>
Vivek Dholiya	Managing Director	12,00,000	8.00
Damani Dholiya	Whole Time Director	1,20,000	0.8
Beena Varun Koshiya	CFO	NIL	NA
Shirish Amrutlal Kotadia	Director	NIL	NA
Ankit Jagdishbhai Kansara	Director	NIL	NA
Pankil Anilbhai Gandhi	Director	NIL	NA
Narendra Gupta (Resigned w.e.f. 06-01-2023)	Company Secretary	1,50,000	1.00
Ms. Priyanka Patni (Appointed w.e.f. 16-02-2023)	Company Secretary	7,500	0.05

- b) Percentage Increase in the median remuneration of employees in the financial year 2021-22: 275%
- c) Number of permanent employees on the rolls of the Company as on March 31, 2023: 3 (Three)
- d) Average percentile increase made in the salaries of employees other than key managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
- e) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
- f) There is no employee covered under the provisions of section 197(14) of the Companies Act, 2013.
- g) There was no employee in the Company who drew remuneration of Rs. 1,02,00,000/- per annum during the period under review. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration)

Rules, 2014.

**33. EXPLANATION OF BOARD OF DIRECTOR'S ON AUDITOR'S REPORTS:**

**A. Auditors Report**

There are no qualifications or reservation or adverse remarks made by the Auditors in their report for the year under review.

Hence there is no Explanation required for the same.

**B. Secretarial Audit Report**

There are no qualifications or reservation or adverse remarks made by the Secretarial Auditors in their report for the year under review.

Hence there is no Explanation required for the same.

**34. REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees under Section 143(12) of the Companies Act, 2013

**35. GENERAL:**

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review.

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There were no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.

**36. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year. Your Directors look forward to the

continued support of all stakeholders in the future.

**For and on behalf of the Board of  
Quality RO Industries Limited**

**PLACE: Vadodara**

**DATE: 06<sup>th</sup> September, 2023**

**VIVEK DHOLIYA  
MANAGING DIRECTOR**

**(DIN: 09340902)**

**DAMINI DHOLIYA  
(DIRECTOR)**

**(DIN: 09340903)**

## Annexure – I

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### 1. INTRODUCTION:

The Company was originally incorporated as Private Limited Company in the name of “QUALITY RO INDUSTRIES PRIVATE LIMITED” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated September 13, 2021 bearing Corporate Identification Number U29308GJ2021PTC126004 issued by the Assistant Registrar of Companies, Ahmedabad. Subsequently, the Company was converted into a Public Limited Company pursuant to the special resolution passed by the shareholders at the Extra-Ordinary General Meeting of our Company held on November 29, 2021 and consequent upon conversion, the name of Company was change to QUALITY RO INDUSTRIES LIMITED vide a fresh certificate of incorporation dated December 13, 2021 bearing Corporate Identification Number U29308GJ2021PLC126004 was issued by the Registrar of Companies, Ahmedabad. Further the Company has issued share pursuant to Initial Public Offer (IPO) and listed on SME platform of BSE LTD on 09<sup>th</sup> February 2022.

#### 2. INDUSTRY STRUCTURE:

Changing economic and business conditions, rapid technology, innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their business objectives such as revenue growth, profitability and asset efficiency.

#### 3. INVESTMENTS/ DEVELOPMENTS:

We are increasing our reach in the industry by expanding our client base across sectors / verticals. Development of software products aiming at various sectors to improve the depth of our engagement with the industry.

#### 4. OPPORTUNITIES AND THREATS:

##### Strength:

Growth in the Indian economy and demand creates unprecedented opportunities for company to invest significantly in each of its core businesses. Outlook for the overall industries is positive. In keeping with the philosophy of continuous consumer centric approach which is the hall mark of any organization, several developmental activities have been planned for the next fiscal year.

##### Opportunities:

- Vast Industrial Presence in both Public and Private Sectors
- Huge demand for Domestic services
- Avail of Low-cost, Skilled Human Resources.
- Proactive government continued thrust on reforms- Further liberalization under process.

##### Threats:

There are global and external factors, changes in Security Laws, tax laws, litigation and significant changes in the Global political and economic environment exert tremendous influence on the performance of the company.

## **5. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

**Quality RO Industries Limited is engaged in:**

- A. **Manufacturing:** Water softener equipment such as RO filter parts, cartridges and membranes
- B. **Contract Manufacturing:** Die casting and associated contractual manufacturing;
- C. **Trading:** RO equipment spares and associated products;
- D. **Contractual Logistics Services** to local infra and manufacturing companies situated in and around the city of Vadodara, Gujarat.

The Company has earned 61.22% and 36.13% of its total revenue from trading & Manufacturing of RO Products and Transport business respectively during the year under review.

## **6. OUTLOOK:**

The Continual growth in the in India sector is necessary to give necessary support to the industry. The company is making all effort to accelerate the growth of its business. It Expect to improve its position in the market by focusing in the technologically advanced and more profitable Product and market segment and working aggressively in the area of productivity, efficiency and cost reduction.

## **7. RISKS AND CONCERNS:**

The industry is exposed to the following risk and concerns:

### **• Complex Global Supply-Chain:**

Companies have to juggle internal and external resources while staying within international standards. Issues such as traceability and compliance are increasing operational burdens.

### **• Uncertain Demand:**

Aggregately, economic volatility and cyclical demand cause fluctuations in production. On a more granular level, consumer preference can cause spikes in demand for an individual products or company. Efficient lean capabilities must be in place to keep inventory aligned with demand.

## **8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an effective and reliable internal control system commensurate with the size of its operations. At the same time, it adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by self-audits and internal as well as statutory auditors.

## **9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

### **Share Capital:**

During the year under review, the authorized share capital of Company has been increased from Rs.



2,00,00,000 (Rupees Two Crore) divided into 20,00,000 (Twenty Lakh Only) equity shares of the face value of Rs. 10 (Rupees Ten) each to Rs. 3,50,00,000 (Rupees Three Crore Fifty Lakh Only) divided into 35,00,000 (Thirty-Five Lakhs Only) equity shares of the face value of Rs. 10 (Rupees Ten) each pursuant to resolution of shareholders passed on 12<sup>th</sup> February, 2023 by Postal Ballot.

Further during the year under review, the Company has increased Paid-up Share capital of Company as per details mentioned below:

Sr. No.	Date of Allotment	Nature of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares
1	23-02-2023	Preferential Basis	6,20,000	25,50,000

### **Reserves and Surplus:**

The Reserve and Surplus of Company on Standalone Basis is Rs. 567.95 Lakhs as on period ended on 31<sup>st</sup> March, 2023.

### **Total Income:**

The Company has earned total Income 559.73 Lakhs on Standalone and consolidated basis as on period ended on 31<sup>st</sup> March, 2023.

### **10. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Your Company follows a policy of building strong teams of talented professionals. People remain the most valuable asset of your Company. The Company recognizes people as its most valuable asset and the Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

### **11. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:**

Description	As at March 31, 2023	As at March 31, 2022	Variance	Remark
Current Ratio	3.75	3.28	14.37	The difference is less than 25% thus reason not required.
Interest covering Ratio	71.95%	583.16%	-87.66%	Due to decrease in operating Profit
Operating Profit Ratio	13.18%	23.63%	-44.24%	

Description	As at March 31, 2023	As at March 31, 2022	Variance	Remark
Debt-Equity Ratio	0.29	0.60	-51.23	The reason of decrease in this ratio is due to increase in Shareholder's Equity during the year.
Inventory Turnover Ratio	11.16	1.72	547.52	Due to increase in inventory holding period
Trade Receivables Turnover Ratio	5.45	2.55	113.42	The reason of increase is the increased Revenue as compared to Previous year.
Net Profit Ratio	-0.33%	15.31%	-102.19	The reason of decrease is the negative PAT due to increase in various expenses including diesel and Depreciation on Assets. Thus Profit margin has reduced with the increased Turnover.

**12. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

Networth is increased by Rs. 432.15 Lakhs due to Preferential Allotment made during the year.

**13. CAUTIONARY STATEMENT:**

This report contains forward- looking statements based on the perceptions of the Company and the data and information available with the company. The company does not and cannot guarantee the accuracy of various assumptions underlying such statements and they reflect Company's current views of the future events and are subject to risks and uncertainties. Many factors like change in general economic conditions, amongst others, could cause actual results to be materially different.

**For and on behalf of the Board of  
Quality RO Industries Limited**

**Vivek Dholiya  
Managing Director  
DIN: 09340902**

**Place: Vadodara  
Date: 06<sup>th</sup> September, 2023**

**Annexure – II**

**Form No. AOC - 2**

**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions for the year ended 31st March, 2023. Thus, this disclosure is not applicable.

**By Order of the Board of Directors**

**For Quality RO Industries Limited**

Sd/-

**Vivek Dholiya**  
**Managing Director**  
**DIN: 09340902**

**Place: Vadodara**

**Date: 06<sup>th</sup> September, 2023**

**Annexure – III**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT OF  
QUALITY RO INDUSTRIES LIMITED  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,  
The Members,  
QUALITY RO INDUSTRIES LIMITED  
Plot No. 09, Por Industrial Park,  
NH 08 Behind Sahyog Hotel,  
Village Por Vadodara GJ 391243**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **QUALITY RO INDUSTRIES LIMITED (CIN: L29308GJ2021PLC126004)** ('hereinafter called the Company') for financial year ended on March 31, 2023 (hereinafter referred to as “**the Audit Period**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management of the Company, we hereby report that in our opinion, the Company had during the Audit Period generally complied with the statutory provisions listed hereunder and also that the Company had proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed during the Audit Period and other records made available to us and maintained by the Company and as shown to us during our audit and according to the provisions of the following laws:

- I. The Companies Act, 2013 the rules made thereunder to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:
- a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of Secretarial Standards – 1 and 2 issued by the Institute of Company Secretaries of India. under the provisions of Companies Act, 2013 and during the financial year under report. The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

**1. INCREASE IN THE AUTHORISED CAPITAL OF THE COMPANY:**

**2. ALTERATION IN CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

**3. ALTERNATION OF OBJECT CLAUSE IN THE MEMORANDUM OF ASSOCIATIONS OF COMPANY:**

**4. CONSIDER AND APPROVE FURTHER ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:**

**FOR DILIP SWARNKAR & ASSOCIATES  
COMPANY SECRETARIES**

**DATE: 06-09-2023  
PLACE: MUMBAI**

**Sd/-**

**DILIP KUMAR SWARNKAR  
PROPRIETOR  
ACS 47600 & CP 26253  
PEER REVIEW NO. – 2838/2022  
UDIN: A047600E000958180**

**This report is to be read with our letter of even date which is annexed as ‘ANNEXURE A’ and forms an integral part of this report.**

**ANNEXURE – A**

**(To the Secretarial Audit Report of QUALITY RO INDUSTRIES LIMITED for the financial year ended March 31, 2023)**

To,  
The Members,  
QUALITY RO INDUSTRIES LIMITED  
Plot No. 09, Por Industrial Park,  
NH 08 Behind Sahyog Hotel,  
Village Por Vadodara GJ 391243

Our Secretarial Audit Report for the financial year 31<sup>st</sup> March, 2023 is to be read along with this letter.

**Management's Responsibility: -**

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility: -**

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer: -**

1. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
2. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
3. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**FOR DILIP SWARNKAR & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**DILIP KUMAR SWARNKAR  
PROPRIETOR  
ACS 47600 & CP 26253  
PEER REVIEW NO. –2838/2022**

**DATE: 06-09-2023  
PLACE: MUMBAI**



## **A Y & COMPANY**

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Email:info@aycompany.co.in

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

#### **TO THE MEMBERS OF QUALITY RO INDUSTRIES LIMITED**

#### **OPINION**

We have audited the accompanying Standalone Financial Statements of **QUALITY RO INDUSTRIES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss for the year ended on March 31, 2023, the Standalone Statement Cash flow statement for the year ended & and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit/(loss) and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

We conducted our audit of the Standalone Financial Statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). 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 independence requirements that are relevant to our audit of the Standalone financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

#### **KEY AUDIT MATTERS**

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





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We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter
1.	<p><b>Cash, Cash Equivalent, Bank Balance and Fixed Deposit:</b> Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current). We focused on this area as it is material to the financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter. The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 2.14 of the financial statements</p> <p>The company operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct taxes, indirect taxes matter.</p> <p>These involve significant management judgement to determine the possible outcome of the tax litigations</p>
	<p><b>Auditor Response to key Audit Matter:</b></p> <p>Principal Audit Procedures:</p> <p><b>Balance with Bank in Current Account</b> We have obtained list of various bank accounts maintained by Company along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts.</p> <p><b>Cash in Hand:</b> Cash in Hand on the reporting date is not material having regard to the size of the company, so that we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.</p> <p><b>Term Deposit:</b> We have obtained list of Fixed deposit opened by Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us.</p> <p>We have also verified interest income against these Fixed deposit booked by the Company with the statement of fixed deposit provided to us during the audit period. We have sought from the Bank for the Fixed deposit which are lien against Bank Overdraft.</p> <p>Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.</p> <p><b>Conclusion:</b> We found the key judgement and assumptions used by management in recognizing the cash &amp; cash equivalents to be supportable based on the available evidence.</p>



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### **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON.**

The company's board is responsible for the preparation of the other information. The other information comprises the information included Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Standalone Financial Statements and our Auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **MANAGEMENT'S RESPONSIBILITY FOR THE 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 to give a true and fair view of the financial position, financial performance, & cash flows of the Company in accordance with accounting standard & accounting principles generally accepted in India. 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 are responsible for overseeing the company's financial reporting process.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS**



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

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

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

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



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

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss & Standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



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In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company has made provision, as at March 31, 2023 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2023.
  - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
  - (v) The company has not declared and paid any dividend during the year 2022-23.
  - (vi) Provision to Rule 3(1) of the companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.



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2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 23421544BGSQBC2577**  
**Place : Vadodara**  
**Date : 22.05.2023**



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### **ANNEXURE “A” TO THE AUDITOR’S REPORT**

#### **Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)**

We have audited the internal financial control over financial reporting of QUALITY RO INDUSTRIES LIMITED (‘the company’) as of 31st March, 2023 in conjunction with our audit of the Standalone financial statement of the company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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





## **A Y & COMPANY**

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A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 23421544BGSQBC2577**  
**Place : Vadodara**  
**Date : 22.05.2023**





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### ANNEXURE “B” TO THE AUDITOR’S REPORT

#### **Referred to in Paragraph 2 Under “Report on Other Legal and Regulatory Requirements” of Our Report to the member of QUALITY RO INDUSTRIES LIMITED of Even Date**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
  - (d) The company has not revalued its Property, Plant & Equipment (including Right of use assets) or intangible assets during the year
  - (e) No proceeding have been initiated or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2)
  - (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
  - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) In our opinion the investments made by the company are prima facie, not prejudicial to the interest of the company. Further the company has not, provided any guarantee or security, granted any loans



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or advances in the nature of loans , secured or unsecured to companies, firms, LLP or other parties covered in register maintained under section 189 of the companies act 2013. Hence the question of reporting such loans are not prejudicial to the company's interest or whether the receipt of the principal amount and interest are regular and whether reasonable steps for recovery of overdues of such loan are taken, does not arise.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities and no statutory dues were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable except as followings:
  - b) According to the information and explanation given to us, there are no dues of income tax, Goods & service tax & duty of customs outstanding on account of any dispute.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9)
  - a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.



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- e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- 10) a) The Company has not raised any money by way of initial public offer during the year.
- b) During the year, the Company has made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and the same is with in compliance with section 42 or 62 of the companies Act 2013 and the fund is utilised for the purpose for which the fund were raised
- 11) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub section (12) of section 143 of the companies act has been filed in Form ADT-4 as prescribed under rule 13of companies (Audit and Auditors) Rules, 2014 with the central Government during the year and upto the date of this report..
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- b) We have not received Internal Audit Report till the signing of this statutory audit report.
- 15) 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.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.



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- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) During the year under review, there has been no resignation of statutory auditors.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- 21) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 23421544BGSQBC2577**  
**Place : Vadodara**  
**Date : 22.05.2023**

## NOTE – 1

### **SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **A. COMPANY INFORMATION**

Our Company was originally incorporated on September 30, 2021 as “Quality RO Industries Private Limited” vide Registration No. 126004/2021-22 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire running business with the assets and liabilities of M/s Quality RO Products, sole proprietorship concern of our Promoter Mr. Vivek Dholiya vide Business Transfer Agreement dated November 02, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Quality RO Industries Private Limited” to “Quality RO Industries Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on November 29, 2021 and a fresh certificate of incorporation dated December 13, 2021 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29308GJ2021PLC126004.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Accounting Convention**

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### **2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

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

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

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

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### **4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the

continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Inventories consist of Raw Material & Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short - term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

### 13. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

#### B. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### 2. Post Employment Benefits:

The Company has not valued its obligations related to Post Employment Benefits as on March 31, 2023.

#### 3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2023

#### 4. Trade Payable Ageing Summary

As on 31.03.2023 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	48.38	--	--	--	48.38
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

As on 31.03.2022 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	12.86	--	--	--	12.86
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

**5. Trade Receivable Ageing Summary**  
**As on 31.03.2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables-considered good	147.36	8.48	8.60	--	--	164.44
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

**As on 31.03.2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables-considered good	38.11	--	--	--	--	38.11
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

**6. Segment Reporting**



The Company at present is engaged in the business of Trading & Manufacturing of RO Product & Transportation Activities, which constitutes a Two business segment. In view of above, Reporting as required by AS-17 are as follows:

(Amount in Lakhs)			
S.No	Particulars	Year to date figures for the year ended on 31/03/2023	Year to date figures for the year ended on 31/03/2022
1	<b>Segment Revenue</b>		
	(a) Trading & Manufacturing of RO Products	201.78	61.22
	(b) Transport Business	350.26	36.13
2	<b>Segment Results</b>		
	(a) Trading & Manufacturing of RO Products	-165.39	4.54
	(b) Transport Business	179.49	10.70
	Less:		
	Unallocable Income	7.69	3.97
	Unallocable Expenses	26.36	8.80
	Profit Before Tax	-4.57	10.40
	Less: Tax Expenses	-2.73	-4.50
	<b>Profit for the Period</b>	<b>-1.84</b>	<b>14.90</b>
3	<b>Segment Assets</b>		
	(a) Trading & Manufacturing of RO Products	314.78	157.85
	(b) Transport Business	110.41	177.53
	(C) Unallocated	694.24	309.35
	<b>Total Segment Assets</b>	<b>1119.43</b>	<b>644.73</b>
4	<b>Segment Liabilities</b>		
	(a) Trading & Manufacturing of RO Products	73.23	115.29
	(b) Transport Business	121.64	135.75
	(C) Unallocated	101.60	2.89
	<b>Total Segment Liabilities</b>	<b>296.47</b>	<b>253.93</b>

#### 7. Statement of Various Accounting Ratios

S. No.	Particular	Numerator	Denominator	Ratio		Movement in %	Reason for Movements (if movement is more than 25%)
				31.03.2023	31.03.2022		
(a)	Current Ratio	Current Assets	Current Liabilities	3.75	3.28	14.37	The difference is less than 25%

							thus reason not required.
(b)	Debt-Equity Ratio	Total Debt	Shareholders Equity	0.29	0.60	-51.23	The reason of decrease in this ratio is due to increase in Shareholder's Equity during the year.
(c)	Debt Service Coverage Ratio	Net Operating Income	Total Debt Service	0.88	0.21	309.62	The reason of increase is the increased revenue and thus increased operating Income.
(d)	Return on Equity Ratio	Profit After Tax	Average Shareholders Equity	-0.30%	3.81%	-107.98	The reason of decrease is the negative PAT due to increase in various expenses including deisel and Depreciation on Assets.
(e)	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	5.45	2.55	113.42	The reason of increase is the increased Revenue as compared to Previous year.
(f)	Trade payables turnover ratio (in times)	Purchase of Services & other Expenses	Average Trade Payables	10.30	3.27	214.83	The reason of increase is the increased Purchases as compared to Previous year.
(g)	Net capital turnover ratio (in times)	Revenue	Net Working Capital	1.04	0.40	159.75	The reason of increase is the increased Revenue as compared to Previous year.
(h)	Net profit ratio	Net Profit	Revenue	-0.33%	15.31%	-102.19	The reason of decrease is the negative PAT due to increase in various expenses including deisel and Depreciation

							on Assets. Thus Profit margin has reduced with the increased Turnover.
(i)	Return on Capital employed	Operating Profit	Total Capital Employed	9.77%	6.90%	41.61	The reason of increase is the increased revenue and thus increased operating profit.
(j)	Return on investment.	Profit After Tax	Initial Value of Investments	3.75	3.28	14.37	The difference is less than 25% thus reason not required.

#### 8. Other Disclosure:

Sr. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	The Company do not have any Immovable property which is not held in the name of Company.
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons.
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has availed facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution.
(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(x)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as *Quality RO Industries Private Limited*)  
Standalone Balance sheet as at March 31, 2023  
CIN No: U29308GJ2021PLC126004

Particular	Notes	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>I. Equity and Liabilities</b>			
<b>Shareholders Fund</b>			
Share Capital	2.1	255.00	193.00
Reserves & Surplus	2.2	567.95	197.80
		<b>822.95</b>	<b>390.80</b>
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-current liabilities</b>			
Long Term Borrowings	2.3	104.46	147.80
Deferred tax liabilities (Net)	2.4	-	-
Other Long Term Liabilities			
		<b>104.46</b>	<b>147.80</b>
<b>Current liabilities</b>			
Short Term Borrowings	2.5	136.18	86.52
Trade payables			
(a) total outstanding dues of micro and small enterprises	2.6	-	-
(b) total outstanding dues other than micro and small enterprises	2.6	48.38	12.86
Other current liabilities	2.7	7.46	5.13
Short term Provisions	2.8	-	1.62
		<b>192.02</b>	<b>106.14</b>
<b>Total</b>			
		<b>1,119.43</b>	<b>644.73</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	2.9	215.68	284.36
Capital WIP		-	-
Intangible Assets		-	-
Long Term Loans & Advances		-	-
Non Current Investments	2.10	170.00	
Other Non Current Assets	2.11	6.09	6.09
Deferred Tax Assets (Net)	2.4	7.23	6.12
		<b>398.99</b>	<b>296.56</b>
<b>Current Assets</b>			
Investments		-	-
Inventories	2.12	42.46	56.49
Trade Receivables	2.13	164.44	38.11
Cash & Bank Balances	2.14	458.07	193.47
Short Term loans & advances	2.15	0.69	0.55
Other current Assets	2.16	54.78	59.54
		<b>720.43</b>	<b>348.17</b>
<b>Total</b>			
		<b>1,119.43</b>	<b>644.73</b>

Notes on significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

Vivek Dholiya  
Managing Director  
DIN : 09340902

Damini Dholiya  
Whole-time Director  
DIN : 09340903

CA Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 23421544BGSQBC2577  
Place : Vadodra  
Date : 22.05.2023

Beena Varun Koshiya  
Chief Financial Officer

Priyanka Patni  
Company Secretary and Compliance Officer

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
**Standalone Statement of Profit and Loss for the period ended March 31, 2023**  
CIN No: U29308GJ2021PLC126004

Particular	Notes	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Income</b>			
Revenue from Operations	2.17	552.05	97.35
Other Income	2.18	7.69	3.97
<b>Total Income (I)</b>		<b>559.73</b>	<b>101.31</b>
<b>Expenses</b>			
Cost of Material Consumed	2.19	298.94	74.59
Purchase of Stock in Trade		-	-
Change in inventories of Finished Goods, WIP & Stock in Trade	2.20	16.56	(32.50)
Employee benefit expenses	2.21	16.80	6.89
Finance Cost	2.22	16.32	2.15
Depreciation & Amortization Expense	2.23	68.68	14.42
Other Expenses	2.24	147.01	25.37
<b>Total Expenses (II)</b>		<b>564.31</b>	<b>90.91</b>
<b>Profit/(loss) Before Prior period, exceptional and extraordinary items and tax (I) - (II)</b>		<b>(4.58)</b>	<b>10.40</b>
Prior period items (Net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(4.58)</b>	<b>10.40</b>
<b>Tax Expenses</b>			
Current Tax		-	1.62
Deferred Tax Charge		(1.11)	(6.12)
MAT Credit Entitlement		(1.62)	
<b>Total Tax Expense</b>		<b>(2.73)</b>	<b>(4.50)</b>
<b>Profit/(loss) after tax</b>		<b>(1.85)</b>	<b>14.90</b>
<b>Earnings/(loss) Per Share</b>			
Basic (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.25	(0.09)	0.98
Diluted (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.25	(0.09)	0.98
Notes on significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

CA Arpit Gupta

Partner  
Membership No. 421544  
UDIN : 23421544BGSQBC2577  
Place : Vadodra  
Date : 22.05.2023

For and on behalf of the Board of Directors

Vivek Dholiya  
Managing Director  
DIN : 09340902

Beena Varun Koshiya  
Chief Financial Officer

Damini Dholiya  
Whole-time Director  
DIN : 09340903

Priyanka Patni  
Company Secretary and  
Compliance Officer

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
CIN No: U29308GJ2021PLC126004  
Standalone Statement of Cash Flows for the period ended March 31, 2023

Cash flow statement as at	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Cash flow from operating activities</b>		
Net Profit before tax and extraordinary items	(4.58)	10.40
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	68.68	14.42
Finance Cost	16.32	2.15
Investment Incomes	(7.22)	(0.88)
<b>Operating profit before Working Capital changes</b>	<b>73.20</b>	<b>26.09</b>
<b>Change in Working Capital</b>	<b>(69.82)</b>	<b>(136.71)</b>
Increase/(Decrease) in Trade Payables	35.52	12.86
Increase/(Decrease) in Other current Liabilities	2.32	5.13
Decrease/(Increase) in Inventories	14.03	(56.49)
Decrease/(Increase) in Trade receivables	(126.33)	(38.11)
Decrease/(Increase) in Short Term Loans & Advances	(0.13)	(0.55)
Decrease/(Increase) in Other Current Assets	4.76	(59.54)
<b>Cash generated from operations</b>	<b>3.38</b>	<b>(110.62)</b>
Income Tax(Paid)/ Refund	-	-
<b>Net Cash flow from / (used in) Operating activities (A)</b>	<b>3.38</b>	<b>(110.62)</b>
<b>Cash Flow from/(used in) Investing Activities</b>		
Purchase of Fixed Assets	-	(298.77)
Purchase of Investment	(170.00)	
Increase in Non Current Assets	-	(6.09)
Investment Incomes	7.22	0.88
<b>Net Cash (used in) investing activities (B)</b>	<b>(162.78)</b>	<b>(303.98)</b>
<b>Cash Flow from/ (used in) Financing Activities</b>		
Finance Cost	(16.32)	(2.15)
Proceeds from Share Capital	62.00	173.80
Proceeds from Securities Premium	372.00	202.10
Proceeds from Borrowings	6.32	234.32
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>424.00</b>	<b>608.07</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>264.60</b>	<b>193.47</b>
Cash and Cash Equivalents at the beginning of the year	193.47	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>458.07</b>	<b>193.47</b>

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

Vivek Dholiya  
Managing Director  
DIN : 09340902

Damini Dholiya  
Whole-time Director  
DIN : 09340903

CA Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 23421544BGSQBC2577  
Place : Vadodra  
Date : 22.05.2023

Beena Varun Koshiya  
Chief Financial Officer

Priyanka Patni  
Company Secretary and Compliance Officer

**QUALITY RO INDUSTRIES LIMITED**  
**(Formerly Known as Quality RO Industries Private Limited)**  
**Notes to financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

**Share Holder Funds**

2.1. Share Capital	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Authorised Shares</b>		
35,00,000 Equity Shares of Rs. 10 Each (Previous Year 20,00,000)	350.00	200.00
<b>Issued Shares</b>		
25,50,000 Equity Shares of Rs. 10 Each (Previous Year 19,30,000)	255.00	193.00
<b>Subscribed &amp; Paid up Shares</b>		
25,50,000 Equity Shares of Rs. 10 Each (Previous Year 19,30,000)	255.00	193.00
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>255.00</b>	<b>193.00</b>

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

Equity Shares	FY 2022-23		FY 2021-22	
	Number	Issued Capital (in Lakhs)	Number	Issued Capital (in Lakhs)
Shares outstanding at the beginning of the year	1,930,000	193	-	-
Shares Issued during the year	620,000	62.00	1,930,000	193.00
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,550,000</b>	<b>255.00</b>	<b>1,930,000</b>	<b>193.00</b>

**B. Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held**

Particulars	FY 2022-23		FY 2021-22	
	Number	% of Holding	Number	% of Holding
Mr. Vivek Dholiya	1,158,000	45.41	1,106,000	57.31
Mr. Vipul Hareshchandra Ramaiya	112,000	4.39	112,000	5.80
Mrs. Foram Ramaiya	69,790	2.74	112,000	5.80

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

There is no Holding Company of Quality RO Industries Limited

**D. Shares with rights preferences and restrictions attaching to each class including restriction on distribution of dividend and repayment of capital**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**E. Shares in the company held by Promoters**

Particulars	FY 2022-23			FY 2021-22		
	Number	% of Holding	% Change in Shareholding	Number	% of Holding	% Change in Shareholding
Mr. Vivek Dholiya	1,158,000	45.41	4.70%	1,106,000	57.31	100.00%

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
Notes to financial Statements for the period ended March 31, 2023  
CIN No: U29308GJ2021PLC126004

**SHAREHOLDERS FUND**

2.2. Reserves & Surplus	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>A. Security Premium</b>		
Opening balance	182.90	-
Add: Additions during the Period	372.00	253.30
Less: Utilized during the period	-	70.40
	554.90	182.90
<b>B. Surplus</b>		
Opening balance	14.90	-
(+) Net Profit/(Net Loss) For the current year	(1.85)	14.90
(-) Prior Period Items (Difference of Depreciation Charged upto 29.04.2021)	-	-
	13.05	14.90
<b>Closing Balance</b>	<b>567.95</b>	<b>197.80</b>

**Current liabilities**

2.3. Long Term Borrowings	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Secured Loan from Banks</b>		
Machinery Loan	15.23	30.46
Truck Loan	89.22	116.96
Atmanirbhar Loan	-	0.37
<b>Total</b>	<b>104.46</b>	<b>147.80</b>

2.4. Deferred Tax Liability/(Assets)	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Deferred tax Liability (asset) on account of timing difference	(7.23)	(6.12)
<b>Total</b>	<b>(7.23)</b>	<b>(6.12)</b>

**Current liabilities**

2.5. Short Term Borrowings	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Secured</b>		
Bank OD	95.01	50.13
Current Maturities of Long Term Debt	40.74	35.13
<b>Unsecured</b>		
From Directors	0.43	1.27
<b>Total</b>	<b>136.18</b>	<b>86.52</b>

2.6. Trade Payables	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Trade Payables		
Micro, Small & Medium Enterprises	-	-
Other than Micro, Small & Medium Enterprises	48.38	12.86
<b>Total</b>	<b>48.38</b>	<b>12.86</b>

**2.6.1 Disclosure in respect of amount due to Micro, Small & Medium Enterprises:**

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financials statements based on information received and available with the Company as on date of financials. The Company has not received any claim for interest from any supplier under the said Act.

2.7. Other Current Liabilities	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Advance from Customers	3.43	5.12
Audit fee Payable	1.50	-
Provision for Electricity & Rent	1.30	-
TDS Payable	1.23	0.01
<b>Total</b>	<b>7.46</b>	<b>5.13</b>

2.8. Short Term Provisions	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Provision for Income Tax Current Year	-	1.62
<b>Total</b>	<b>-</b>	<b>1.62</b>



**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
**Notes to financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

**NON CURRENT ASSETS**

As at 31.3.23

2.9. Property, Plant & Equipments	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 1 April 2022	Additions	Deletion/Sale	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation charge for the period	Deletion- Sale/Loss/Adju- stement on Conversion	Balance as at 31 March 2023	Balance as at 1 April 2022	Balance as at 31 March 2023
(Amount in Lakhs)										
<b>A. Tangible Assets</b>										
Land	33.45		-	33.45	-	-	-	-	33.45	33.45
Factory Shed & Building	17.46		-	17.46	0.31	1.74	-	2.05	17.15	15.42
Plant & Machinery	80.87		-	80.87	7.87	16.84	-	24.71	73.00	56.16
Vehicles	11.70		-	11.70	1.66	3.34	-	5.01	10.04	6.70
Truck	154.59		-	154.59	4.51	46.36	-	50.88	150.07	103.71
Mobile Phones	0.70		-	0.70	0.06	0.40	-	0.46	0.64	0.24
<b>Total</b>	<b>298.77</b>	<b>-</b>	<b>-</b>	<b>298.77</b>	<b>14.42</b>	<b>68.68</b>	<b>-</b>	<b>83.10</b>	<b>284.36</b>	<b>215.68</b>

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
*Notes to financial Statements for the period ended March 31, 2023*  
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2.10. Non-Current Investments	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Gopinath Enterprises	170.00	-
<b>Total</b>	<b>170.00</b>	<b>-</b>

2.11. Non-Current Assets	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Security Deposits	6.09	6.09
<b>Total</b>	<b>6.09</b>	<b>6.09</b>

**CURRENT ASSETS**

2.12. Inventories	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Raw Material	26.51	23.99
Finished Goods	15.95	32.50
<b>Total</b>	<b>42.46</b>	<b>56.49</b>

2.13. Trade Receivables	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Unsecured, Considered good</b>		
<b>Debts outstanding other than Related Parties for a period:</b>		
Outstanding for a period more than six months		-
Outstanding for a period less than six months	164.44	38.11
<b>Total</b>	<b>164.44</b>	<b>38.11</b>

2.14. Cash and Bank Balances	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>Cash &amp; Cash Equivalent</b>		
<b>Balance with Bank</b>		
In Current Accounts	18.20	22.45
In Deposit Accounts	411.40	154.50
Cash on hand	28.47	16.52
<b>Total</b>	<b>458.07</b>	<b>193.47</b>

2.15. Short Term Loans & Advances	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Advances to Suppliers	0.69	0.55
<b>Total</b>	<b>0.69</b>	<b>0.55</b>

2.16. Other Current Assets	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
Accrued Interest	2.21	0.63
Prepaid Software Charges & Insurance	2.81	-
MAT Credit Entitlement	1.62	
Balance with Revenue Authorities	48.14	58.91
<b>Total</b>	<b>54.78</b>	<b>59.54</b>

**QUALITY RO INDUSTRIES LIMITED**

(Formerly Known as Quality RO Industries Private Limited)

Notes to financial Statements for the period ended March 31, 2023

CIN No: U29308GJ2021PLC126004

<b>2.17. Revenue From Operations</b>	<b>31 March 2023 (Amount in Lakhs)</b>	<b>31 March 2022 (Amount in Lakhs)</b>
<b>Sale of Goods</b>		
Domestic Sales	519.54	61.22
Transport Income	32.51	36.13
<b>Total</b>	<b>552.05</b>	<b>97.35</b>

<b>2.18. Other Incomes</b>	<b>31 March 2023 (Amount in Lakhs)</b>	<b>31 March 2022 (Amount in Lakhs)</b>
Bank Interest	1.73	0.18
Discount	-	1.52
Interest Income	5.49	0.70
Subsidy on Loan	0.36	1.57
Misc. Income	0.10	-
<b>Total</b>	<b>7.69</b>	<b>3.97</b>

<b>2.19. Cost of Material Consumed</b>	<b>31 March 2023 (Amount in Lakhs)</b>	<b>31 March 2022 (Amount in Lakhs)</b>
Opening Stock of Raw Material	23.99	-
Add: Purchases during the period	301.46	98.58
Closing Stock of Raw Material	26.51	23.99
<b>Total</b>	<b>298.94</b>	<b>74.59</b>

<b>2.20. Change in Inventory of WIP, Finished Goods &amp; Stock in Trade</b>	<b>31 March 2023 (Amount in Lakhs)</b>	<b>31 March 2022 (Amount in Lakhs)</b>
Inventories at the beginning of the year	32.50	-
Inventories at the end of the year	15.94	32.50
<b>Total</b>	<b>16.56</b>	<b>(32.50)</b>

<b>2.21. Employee Benefits Expenses</b>	<b>31 March 2023 (Amount in Lakhs)</b>	<b>31 March 2022 (Amount in Lakhs)</b>
Labour Expenses	-	1.05
Director Remuneration	13.20	4.40
Salary Expenses	3.60	1.44
<b>Total</b>	<b>16.80</b>	<b>6.89</b>

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
Notes to financial Statements for the period ended March 31, 2023  
CIN No: U29308GJ2021PLC126004

<b>2.22. Finance Cost</b>	<b>31st March 2023</b> <b>(Amount in Lakhs)</b>	<b>31st March 2022</b> <b>(Amount in Lakhs)</b>
Interest Expenses	16.24	1.70
Bank Charges	0.08	0.46
<b>Total</b>	<b>16.32</b>	<b>2.15</b>

<b>2.23. Depreciation Expenses</b>	<b>31st March 2023</b> <b>(Amount in Lakhs)</b>	<b>31st March 2022</b> <b>(Amount in Lakhs)</b>
Depreciation Charges	68.68	14.42
<b>Total</b>	<b>68.68</b>	<b>14.42</b>

<b>2.24. Other Expenses</b>	<b>31st March 2022</b> <b>(Amount in Lakhs)</b>	<b>31st March 2022</b> <b>(Amount in Lakhs)</b>
Independent Director Fee	0.38	-
Insurance Exp	0.28	-
ROC Filing Fee	2.75	-
Software Charges	0.10	-
Solar Meter Charge	0.18	-
Transport Exp	0.78	-
Cleaning & Office Exp.	0.67	-
Electricity Expenses	18.59	8.20
Rent	3.00	1.00
Diesel Expenses	113.35	9.65
Stamp Duty Charges	-	0.22
Telephone Expense	0.12	0.01
Repairs & Maintenance	2.09	0.43
Miscellaneous Expenses	0.78	0.00
Legal & Professional Expenses	2.45	4.36
Audit Fees	1.50	1.50
<b>Total</b>	<b>147.01</b>	<b>25.37</b>

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
Notes to financial Statements for the period ended March 31, 2023  
CIN No: U29308GJ2021PLC126004

2.25. Earnings Per Share	31st March 2023 (Amount in Lakhs)	31st March 2022 (Amount in Lakhs)
Profit/(Loss) after tax as per Statement of Profit and Loss	(1.85)	14.90
Weighted average number of equity shares in calculating basic EPS	19.93	15.19
Basic {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(0.09)	0.98
Diluted {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(0.09)	0.98

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
*Notes to financial Statements for the period ended March 31, 2023*  
**CIN No: U29308GJ2021PLC126004**

**2.26 Other disclosures**

(a) **Remuneration to Directors**

Particulars	31st March 2023 (Amount in Rs.)	31st March 2022 (Amount in Rs.)
Director Remuneration	13.20	4.40
<b>Total</b>	<b>13.20</b>	<b>4.40</b>

- (b) As per the best estimate of the management, there is no capital commitment and contingent liability exists as on the date of the financial statement.
- (c) Disclosures required under mandatory accounting standards & Schedule III are given to the extent applicable and possible.
- (d) Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- (e) Previous year figures are regrouped or rearranged wherever considered necessary.

**As per our report of even date**

**For A Y & Company**  
**Firm Registration No. 020829C**  
**Chartered Accountants**

**CA Arpit Gupta**  
**Partner**  
**Membership No. 421544**  
**UDIN : 23421544BGSQBC2577**  
**Place : Vadodra**  
**Date : 22.05.2023**

**For and on behalf of the Board of Directors**

**Sd/-**  
**Vivek Dholiya**  
**Managing Director**  
**DIN : 09340902**

**Sd/-**  
**Beena Varun Koshiya**  
**Chief Financial Officer**

**Sd/-**  
**Damini Dholiya**  
**Whole-time Director**  
**DIN : 09340903**

**Sd/-**  
**Priyanka Patni**  
**Company Secretary and**  
**Compliance Officer**

**RELATED PARTY DISCLOSURES**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**2.27. List of Related Parties and Nature of Relationship :**

<b>Relationship with Related party</b>	<b>Name of related parties</b>
Key Managerial Personnel	Vivek Dholiya

**B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:**

<b>Nature of Transactions</b>	<b>Name of Related Parties</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Remuneration to Directors	Vivek Dholiya	13.2	4.40
2 Unsecured Loan	Vivek Dholiya		
	Opening Balance	1.27	0.00
	Loan Received during the year	35.66	32.95
	Loan Repaid during the year	36.50	31.68
	Closing Balance	0.43	1.27

**C. Outstanding Balance as at the end of the year**

	<b>Name of Related Party</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
<b>Unsecured Loan</b>	Vivek Dholiya	0.43	1.27

# **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS**

## **TO THE MEMBERS OF QUALITY RO INDUSTRIES LIMITED**

### **OPINION**

We have audited the accompanying consolidated financial statements of **QUALITY RO INDUSTRIES LIMITED** (“the Company”), and its subsidiary i.e. Gopinath Enterprises (the Company and its subsidiary together referred to as “the Group” ) which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss for the period ended on March 31, 2023, the Consolidated Cash flow statement for the period ended & and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit/(loss) and its cash flows for the year ended on that date.

### **BASIS FOR OPINION**

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

### **KEY AUDIT MATTERS**

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>S.No.</b>	<b>Key Audit Matter</b>
1.	<b>Cash, Cash Equivalent, Bank Balance and Fixed Deposit:</b> Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current). We focused on this area as it is material to the financial statements and area of significant risk for our audit as it requires considerable time



	<p>and resource to audit due to its magnitude, it is considered to be a key audit matter. The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 2.14 of the financial statements</p> <p>The company operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct taxes, indirect taxes matter.</p> <p>These involve significant management judgement to determine the possible outcome of the tax litigations</p>
	<p><b>Auditor Response to key Audit Matter:</b></p>
	<p>Principal Audit Procedures:</p> <p><b>Balance with Bank in Current Account</b>  We have obtained list of various bank accounts maintained by Company along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts.</p> <p><b>Cash in Hand:</b>  Cash in Hand on the reporting date is not material having regard to the size of the company, so that we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.</p> <p><b>Term Deposit:</b>  We have obtained list of Fixed deposit opened by Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us.</p> <p>We have also verified interest income against these Fixed deposit booked by the Company with the statement of fixed deposit provided to us during the audit period. We have sought from the Bank for the Fixed deposit which are lien against Bank Overdraft.</p> <p>Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.</p> <p><b>Conclusion:</b>  We found the key judgement and assumptions used by management in recognizing the cash &amp; cash equivalents to be supportable based on the available evidence.</p>

**INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON.**

The company's board is responsible for the preparation of the other information. The other information comprises the information included Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Consolidated Financial Statements, Consolidated Financial Statements and our Auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED 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 & presentation of these consolidated financial statements to give a true and fair view of the financial position, financial performance, & cash flows of the Group in accordance with accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements,, the respective Board of Directors of the companies included in the Group are responsible for assessing the group’s ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS**

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

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

- identify and assess the risks of material misstatements of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company & its subsidiaries so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors and the audit report of subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.
  - (ii) The Company has made provision, as at March 31, 2023 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- (iii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2023.
- (iv) a) The respective management of the companies & its subsidiaries incorporated in India whose financial statements are audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or subsidiary to or in any other person or entity, including foreign entity (“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 or subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the companies & its subsidiaries incorporated in India whose financial statements are audited under the Act, has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary 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;
- (v) The company has not declared and paid any dividend during the year 2022-23.
- (vi) Provision to Rule 3(1) of the companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- (vii) With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/“CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 23421544BGSQBD3533**  
**Place : Vadodara**  
**Date : 22.05.2023**

## **ANNEXURE “A” TO THE AUDITOR’S REPORT**

### **Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)**

We have audited the internal financial control over financial reporting of Quality RO Industries Limited (‘the company’) & its subsidiary as of 31st March, 2023 in conjunction with our audit of the Consolidated financial statement of the company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions

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

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

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

### **Opinion**

In our opinion, the Company and its subsidiary company, which is company incorporated in India 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 March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 23421544BGSQBD3533**  
**Place : Vadodara**  
**Date : 22.05.2023**

## NOTE – 1

### **CONSOLIDATED SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Accounting Convention**

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under. The company has one subsidiary i.e. Gopinath Enterprises with 51% holding.

##### **2. Principals of Consolidation:**

- The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equities, incomes and cashflows, after fully eliminating intragroup balances and intra – group transactions.
- Profits & losses resulting from intra group transaction that are recognized in assets, such as inventory and property, plant and equipments are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of parent’s investments in subsidiary is offset against the parent’s portion of equity in subsidiary.

##### **3. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

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

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

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

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### **5. Impairment of Assets**



At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **6. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

## **7. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **8. Inventories**

Inventories consist of Raw Material & Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.

## **9. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **10. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **11. Employee Benefits**

Short - term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **12. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all

timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

### 13. Foreign Currency Translation

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

### 14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

#### A. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### 2. Segment Reporting

The Company at present is engaged in the business of Trading & Manufacturing of RO Product & Transportation Activities, which constitutes a Two business segment. In view of above, Reporting as required by AS-17 are as follows:

(Amount in Lakhs)		
S.No	Particulars	Year to date figures for theyear ended on 31/03/2023
1	<b>Segment Revenue</b>	
	(a) Trading & Manufacturing of RO Products	201.78
	(b) Transport Business	350.26
2	<b>Segment Results</b>	
	(a) Trading & Manufacturing of RO Products	-165.39
	(b) Transport Business	179.48
	Less:	
	Unallocable Income	7.70
	Unallocable Expenses	26.36
	Profit Before Tax	-4.57
	Less: Tax Expenses	-2.73
	<b>Profit for the Period</b>	<b>-1.84</b>
3	Segment Assets	

	(a) Trading & Manufacturing of RO Products	314.78
	(b) Transport Business	110.41
	(C) Unallocated	694.34
	<b>Total Segment Assets</b>	<b>1119.53</b>
4	Segment Liabilities	
	(a) Trading & Manufacturing of RO Products	73.23
	(b) Transport Business	121.64
	(C) Unallocated	101.70
	<b>Total Segment Liabilities</b>	<b>296.57</b>

### 3. Post Employment Benefits:

The Company has not valued its obligations related to Post Employment Benefits as on March 31, 2023.

### 4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2023

### 5. Trade Payable Ageing Summary

As on 31.03.2023 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	48.38		--	--	48.38
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

### 6. Trade Receivable Ageing Summary

As on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables-considered good	147.36	8.48	8.60	--	--	164.44
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--

(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--
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#### 7. Statement of Accounting Ratios:

S. No.	Particular	Numerator	Denominator	Ratio
				31.03.2023
(a)	Current Ratio	Current Assets	Current Liabilities	4.64
(b)	Debt-Equity Ratio	Total Debt	Shreholders Equity	0.29
(c)	Debt Service Coverage Ratio	Net Operating Income	Total Debt Service	0.33
(d)	Return on Equity Ratio	Profit After Tax	Average Shareholders Equity	-0.22%
(e)	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	3.36
(f)	Trade payables turnover ratio (in times)	Purchase of Services & other Expenses	Average Trade Payables	6.52
(g)	Net capital turnover ratio (in times)	Revenue	Net Working Capital	0.79
(h)	Net profit ratio	Net Profit	Revenue	-0.003
(i)	Return on Capital employed	Operating Profit	Total Capital Employed	1.43%

Sr. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	The Company do not have any Immovable property which is not held in the name of Company.
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons.
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has availed facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution.

(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(x)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
**Consolidated Balance sheet as at March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

Particular	Notes	31 March 2023 (Amount in Lakhs)	31 March 2022 (Amount in Lakhs)
<b>I. Equity and Liabilities</b>			
<b>Shareholders Fund</b>			
Share Capital	2.1	255.00	193.00
Reserves & Surplus	2.2	567.95	197.80
		<b>822.95</b>	<b>390.80</b>
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-current liabilities</b>			
Long Term Borrowings	2.3	104.46	147.80
Deferred tax liabilities (Net)	2.4	-	-
Other Long Term Liabilities			
		<b>104.46</b>	<b>147.80</b>
<b>Current liabilities</b>			
Short Term Borrowings	2.5	136.28	86.52
Trade payables			
(a) total outstanding dues of micro and small enterprises	2.6	-	-
(b) total outstanding dues other than micro and small enterprises	2.6	48.38	12.86
Other current liabilities	2.7	7.46	5.13
Short term Provisions	2.8	-	1.62
		<b>192.12</b>	<b>106.14</b>
<b>Total</b>			
		<b>1,119.53</b>	<b>644.73</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	2.9	215.68	284.36
Capital WIP		-	-
Intangible Assets		-	-
Long Term Loans & Advances		-	-
Non Current Investments		-	-
Other Non Current Assets	2.10	6.09	6.09
Deferred Tax Assets (Net)	2.4	7.23	6.12
		<b>228.99</b>	<b>296.56</b>
<b>Current Assets</b>			
Investments		-	-
Inventories	2.11	42.46	56.49
Trade Receivables	2.12	164.44	38.11
Cash & Bank Balances	2.13	458.17	193.47
Short Term loans & advances	2.14	170.69	0.55
Other current Assets	2.15	54.78	59.54
		<b>890.53</b>	<b>348.17</b>
<b>Total</b>			
		<b>1,119.53</b>	<b>644.73</b>
Notes on significant accounting policies	1	0.00	
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

CA Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 23421544BGSQBD3533  
Place : Vadodra  
Date : 22.05.2023

For and on behalf of the Board of Directors

Vivek Dholiya  
Managing Director  
DIN : 09340902

Beena Varun Koshiya  
Chief Financial Officer

Damini Dholiya  
Whole-time Director  
DIN : 09340903

Priyanka Patni  
Company Secretary and  
Compliance Officer

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
**Consolidated Statement of Profit and Loss for the period ended March 31, 2023**  
CIN No: U29308GJ2021PLC126004

Particular	Notes	31 March 2023 (Amount in Lakhs)
<b>Income</b>		
Revenue from Operations	2.16	552.05
Other Income	2.17	7.69
<b>Total Income (I)</b>		<b>559.73</b>
<b>Expenses</b>		
Cost of Material Consumed	2.18	298.94
Purchase of Stock in Trade		-
Change in inventories of Finished Goods, WIP & Stock in Trade	2.19	16.56
Employee benefit expenses	2.20	16.80
Finance Cost	2.21	16.32
Depreciation & Amortization Expense	2.22	68.68
Other Expenses	2.23	147.01
<b>Total Expenses (II)</b>		<b>564.31</b>
<b>Profit/(loss) Before Prior period, exceptional and extraordinary items and tax (I) - (II)</b>		<b>(4.58)</b>
Prior period items (Net)		-
<b>Profit/(Loss) before tax</b>		<b>(4.58)</b>
<b>Tax Expenses</b>		
Current Tax		-
Deferred Tax Charge		(1.11)
MAT Credit Entitlement		(1.62)
<b>Total Tax Expense</b>		<b>(2.73)</b>
<b>Profit/(loss) after tax</b>		<b>(1.85)</b>
<b>Earnings/(loss) Per Share</b>		
Basic (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	(0.09)
Diluted (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	(0.09)

Notes on significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

Vivek Dholiya  
Managing Director  
DIN : 09340902

Damini Dholiya  
Whole-time Director  
DIN : 09340903

CA Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 23421544BGSQBD3533  
Place : Vadodra  
Date : 22.05.2023

Beena Varun Koshiya  
Chief Financial Officer

Priyanka Patni  
Company Secretary and Compliance  
Officer

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
CIN No: U29308GJ2021PLC126004

Consolidated Statement of Cash Flows for the period ended March 31, 2023

Cash flow statement as at	31 March 2023 (Amount in Lakhs)
<b>Cash flow from operating activities</b>	
Net Profit before tax and extraordinary items	(4.58)
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>	
Depreciation	68.68
Finance Cost	16.32
Investment Incomes	(7.22)
<b>Operating profit before Working Capital changes</b>	<b>73.20</b>
<b>Change in Working Capital</b>	<b>(239.82)</b>
Increase/(Decrease) in Trade Payables	35.52
Increase/(Decrease) in Other current Liabilities	2.32
Decrease/(Increase) in Inventories	14.03
Decrease/(Increase) in Trade receivables	(126.33)
Decrease/(Increase) in Short Term Loans & Advances	(170.13)
Decrease/(Increase) in Other Current Assets	4.76
<b>Cash generated from operations</b>	<b>(166.62)</b>
Income Tax(Paid)/ Refund	-
<b>Net Cash flow from / (used in) Operating activities (A)</b>	<b>(166.62)</b>
<b>Cash Flow from/(used in) Investing Activities</b>	
Purchase of Fixed Assets	-
Decrease/(Increase) in Long Term Loans & Advances	-
Increase in Non Current Assets	-
Investment Incomes	7.22
<b>Net Cash (used in) investing activities (B)</b>	<b>7.22</b>
<b>Cash Flow from/ (used in) Financing Activities</b>	
Finance Cost	(16.32)
Proceeds from Share Capital	62.00
Proceeds from Securities Premium	372.00
Proceeds from Borrowings	6.42
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>424.10</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>264.70</b>
Cash and Cash Equivalents at the beginning of the year	193.47
<b>Cash and Cash Equivalents at the end of the year</b>	<b>458.17</b>

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

Vivek Dholiya  
Managing Director  
DIN : 09340902

Damini Dholiya  
Whole-time Director  
DIN : 09340903

Beena Varun Koshiya

Priyanka Patni  
Company Secretary and Compliance  
Officer

CA Arpit Gupta  
Partner

Membership No. 421544  
UDIN : 23421544BGSQBD3533  
Place : Vadodra  
Date : 22.05.2023

Chief Financial Officer



**QUALITY RO INDUSTRIES LIMITED**  
**(Formerly Known as Quality RO Industries Private Limited)**  
**Notes to Consolidated financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

**Share Holder Funds**

2.1. Share Capital	31 March 2023 (Amount in Lakhs)
<b>Authorised Shares</b>	
35,00,000 Equity Shares of Rs. 10 Each (Previous Year 20,00,000)	350.00
<b>Issued Shares</b>	
25,50,000 Equity Shares of Rs. 10 Each (Previous Year 19,30,000)	255.00
<b>Subscribed &amp; Paid up Shares</b>	
25,50,000 Equity Shares of Rs. 10 Each (Previous Year 19,30,000)	255.00
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>255.00</b>

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

Equity Shares	FY 2022-23	
	Number	Issued Capital (in Lakhs)
Shares outstanding at the beginning of the year	1,930,000	193
Shares Issued during the year	620,000	62.00
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,550,000</b>	<b>255.00</b>

**B. Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held**

Particulars	FY 2022-23	
	Number	% of Holding
Mr. Vivek Dholiya	1,158,000	45.41
Mr. Vipul Hareshchandra Ramaiya	112,000	4.39
Mrs. Foram Ramaiya	69,790	2.74

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

There is no Holding Company of Quality RO Industries Limited

**D. Shares with rights preferences and restrictions attaching to each class including restriction on distribution of dividend and repayment of capital**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**E. Shares in the company held by Promoters**

Particulars	FY 2022-23		
	Number	% of Holding	% Change in Shareholding
Mr. Vivek Dholiya	1,158,000	45.41	0.00%

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
**Notes to Consolidated financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

**SHAREHOLDERS FUND**

<b>2.2. Reserves &amp; Surplus</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>A. Security Premium</b>	
Opening balance	182.90
Add: Additions during the Period	372.00
Less: Utilized during the period	-
	554.90
<b>B. Surplus</b>	
Opening balance	14.90
(+) Net Profit/(Net Loss) For the current year	(1.85)
(-) Prior Period Items (Difference of Depreciation Charged upto 29.04.2021)	-
	13.05
<b>Closing Balance</b>	<b>567.95</b>

**Current liabilities**

<b>2.3. Long Term Borrowings</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>Secured Loan from Banks</b>	
Machinery Loan	15.23
Truck Loan	89.22
Atmanirbhar Loan	-
<b>Total</b>	<b>104.46</b>

<b>2.4. Deferred Tax Liability/(Assets)</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Deferred tax Liability (asset) on account of timing difference	(7.23)
<b>Total</b>	<b>(7.23)</b>

**Current liabilities**

<b>2.5. Short Term Borrowings</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>Secured</b>	
Bank OD	95.01
Current Maturities of Long Term Debt	40.74
<b>Unsecured</b>	
From Directors	0.43
Others	0.10
<b>Total</b>	<b>136.28</b>

<b>2.6. Trade Payables</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Trade Payables	
Micro, Small & Medium Enterprises	-
Other than Micro, Small & Medium Enterprises	48.38
<b>Total</b>	<b>48.38</b>

**2.6.1 Disclosure in respect of amount due to Micro, Small & Medium Enterprises:**

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financials statements based on information received and available with the Company as on date of financials. The Company has not received any claim for interest from any supplier under the said Act.

<b>2.7. Other Current Liabilities</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Advance from Customers	3.43
Audit fee Payable	1.50
Provision for Electricity & Rent	1.30
TDS Payable	1.23
<b>Total</b>	<b>7.46</b>

<b>2.8. Short Term Provisions</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Provision for Income Tax Current Year	-
<b>Total</b>	<b>-</b>

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
**Notes to Consolidated financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

**NON CURRENT ASSETS**

As at 31.3.23

2.9. Property, Plant & Equipments	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 1 April 2022	Additions	Deletion/Sale	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation charge for the period	Deletion- Sale/Loss/Adju- stement on Conversion	Balance as at 31 March 2023	Balance as at 1 April 2022	Balance as at 31 March 2023
(Amount in Lakhs)										
<b>A. Tangible Assets</b>										
Land	33.45		-	33.45	-	-	-	-	33.45	33.45
Factory Shed & Building	17.46		-	17.46	0.31	1.74	-	2.05	17.15	15.42
Plant & Machinery	80.87		-	80.87	7.87	16.84	-	24.71	73.00	56.16
Vehicles	11.70		-	11.70	1.66	3.34	-	5.01	10.04	6.70
Truck	154.59		-	154.59	4.51	46.36	-	50.88	150.07	103.71
Mobile Phones	0.70		-	0.70	0.06	0.40	-	0.46	0.64	0.24
<b>Total</b>	<b>298.77</b>	<b>-</b>	<b>-</b>	<b>298.77</b>	<b>14.42</b>	<b>68.68</b>	<b>-</b>	<b>83.10</b>	<b>284.36</b>	<b>215.68</b>

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
**Notes to Consolidated financial Statements for the period ended March 31, 2023**  
**CIN No: U29308GJ2021PLC126004**

<b>2.10. Non-Current Assets</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Security Deposits	6.09
<b>Total</b>	<b>6.09</b>

**CURRENT ASSETS**

<b>2.11. Inventories</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Raw Material	26.51
Finished Goods	15.95
<b>Total</b>	<b>42.46</b>

<b>2.12. Trade Receivables</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>Unsecured, Considered good</b>	
<b>Debts outstanding other than Related Parties for a period:</b>	
Outstanding for a period more than six months	
Outstanding for a period less than six months	164.44
<b>Total</b>	<b>164.44</b>

<b>2.13. Cash and Bank Balances</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>Cash &amp; Cash Equivalent</b>	
<b>Balance with Bank</b>	
In Current Accounts	18.30
In Deposit Accounts	411.40
Cash on hand	28.47
<b>Total</b>	<b>458.17</b>

<b>2.14. Short Term Loans &amp; Advances</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Advances to Suppliers	0.69
Vipul Rupareliya	170.00
<b>Total</b>	<b>170.69</b>

<b>2.15. Other Current Assets</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Accrued Interest	2.21
Prepaid Software Charges & Insurance	2.81
MAT Credit Entitlement	1.62
Balance with Revenue Authorities	48.14
<b>Total</b>	<b>54.78</b>

# QUALITY RO INDUSTRIES LIMITED

(Formerly Known as Quality RO Industries Private Limited)

Notes to Consolidated financial Statements for the period ended March 31, 2023

CIN No: U29308GJ2021PLC126004

<b>2.16. Revenue From Operations</b>	<b>31 March 2023 (Amount in Lakhs)</b>
<b>Sale of Goods</b>	
Domestic Sales	519.54
Transport Income	32.51
<b>Total</b>	<b>552.05</b>

<b>2.17. Other Incomes</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Bank Interest	1.73
Discount	-
Interest Income	5.49
Subsidy on Loan	0.36
Misc. Income	0.10
<b>Total</b>	<b>7.69</b>

<b>2.18. Cost of Material Consumed</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Opening Stock of Raw Material	23.99
Add: Purchases during the period	301.46
Closing Stock of Raw Material	26.51
<b>Total</b>	<b>298.94</b>

<b>2.19. Change in Inventory of WIP, Finished Goods &amp; Stock in Trade</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Inventories at the beginning of the year	32.50
Inventories at the end of the year	15.94
<b>Total</b>	<b>16.56</b>

<b>2.20. Employee Benefits Expenses</b>	<b>31 March 2023 (Amount in Lakhs)</b>
Labour Expenses	-
Director Remuneration	13.20
Salary Expenses	3.60
<b>Total</b>	<b>16.80</b>

**QUALITY RO INDUSTRIES LIMITED**  
 (Formerly Known as Quality RO Industries Private Limited)  
 Notes to Consolidated financial Statements for the period ended March 31, 2023  
 CIN No: U29308GJ2021PLC126004

<b>2.21. Finance Cost</b>	<b>31st March 2023 (Amount in Lakhs)</b>
Interest Expenses	16.24
Bank Charges	0.08
<b>Total</b>	<b>16.32</b>

<b>2.22. Depreciation Expenses</b>	<b>31st March 2023 (Amount in Lakhs)</b>
Depreciation Charges	68.68
<b>Total</b>	<b>68.68</b>

<b>2.23. Other Expenses</b>	<b>31st March 2022 (Amount in Lakhs)</b>
Independent Director Fee	0.38
Insurance Exp	0.28
ROC Filing Fee	2.75
Software Charges	0.10
Solar Meter Charge	0.18
Transport Exp	0.78
Cleaning & Office Exp.	0.67
Electricity Expenses	18.59
Rent	3.00
Diesel Expenses	113.35
Stamp Duty Charges	-
Telephone Expense	0.12
Repairs & Maintenance	2.09
Miscellaneous Expenses	0.78
Legal & Professional Expenses	2.45
Audit Fees	1.50
<b>Total</b>	<b>147.01</b>

**QUALITY RO INDUSTRIES LIMITED**  
(Formerly Known as Quality RO Industries Private Limited)  
Notes to Consolidated financial Statements for the period ended March 31, 2023  
CIN No: U29308GJ2021PLC126004

2.24. Earnings Per Share	31st March 2023 (Amount in Lakhs)
Profit/(Loss) after tax as per Statement of Profit and Loss	(1.85)
Weighted average number of equity shares in calculating basic EPS	19.93
Basic {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(0.09)
Diluted {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(0.09)

**QUALITY RO INDUSTRIES LIMITED**  
*(Formerly Known as Quality RO Industries Private Limited)*  
*Notes to Consolidated financial Statements for the period ended March 31, 2023*  
**CIN No: U29308GJ2021PLC126004**

**2.25 Other disclosures**

(a) **Remuneration to Directors**

Particulars	31st March 2023 (Amount in Rs.)
Director Remuneration	13.20
<b>Total</b>	<b>13.20</b>

- (b) As per the best estimate of the management, there is no capital commitment and contingent liability exists as on the date of the financial statement.
- (c) Disclosures required under mandatory accounting standards & Schedule III are given to the extent applicable and possible.
- (d) Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- (e) Previous year figures are regrouped or rearranged wherever considered necessary.

**As per our report of even date**

**For A Y & Company**  
**Firm Registration No. 020829C**  
**Chartered Accountants**

**CA Arpit Gupta**

**Partner**

**Membership No. 421544**  
**UDIN : 23421544BGSQBD3533**  
**Place : Vadodra**  
**Date : 22.05.2023**

**For and on behalf of the Board of Directors**

**Vivek Dholiya**  
**Managing Director**  
**DIN : 09340902**

**Beena Varun Koshiya**

**Chief Financial Officer**

**Damini Dholiya**  
**Whole-time Director**  
**DIN : 09340903**

**Priyanka Patni**

**Company Secretary and  
Compliance Officer**



## RELATED PARTY DISCLOSURES

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

### 2.26. List of Related Parties and Nature of Relationship :

Relationship with Related party	Name of related parties
Key Managerial Personnel	Vivek Dholiya

### B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:

Nature of Transactions	Name of Related Parties	31-Mar-23
1. Remuneration to Directors	Vivek Dholiya	13.2
2 Unsecured Loan	Vivek Dholiya	
	Opening Balance	1.27
	Loan Received during the year	35.66
	Loan Repaid during the year	36.50
	Closing Balance	0.43

### C. Outstanding Balance as at the end of the year

	Name of Related Party	31st March 2023
Unsecured Loan	Vivek Dholiya	0.43

## Route Map to venue of AGM of Quality RO Industries Limited

Venue: Plot No. 09, Por Industrial Park, NH 08 Behind Sahayog Hotel, Village Por Vadodara - 391243

Date: 29<sup>th</sup> September, 2023

Day and Time: Friday at 11:00 AM

