

QUALITY RO INDUSTRIES LIMITED

CIN - L29308GJ2021PLC126004

Reg. Office - Plot No. 09, Por Industrial Park, NH 08 Behind Sahyog Hotel, Village Por
Vadodara GJ 391243

E-mail: vivek@qualityro.in

Contact: +91 6358 839 303

03 September, 2024

To,
The Manager,
BSE India Ltd.
Phiroze Jeejeebhoy Towers,
Dalal St, Kala Ghoda, Fort,
Mumbai, Maharashtra 400001.

Scrip Code: 543460

Subject: Notice of the 3rd Annual General Meeting of the Company and submission of Annual Report for the Financial Year 2023-24

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2023-24 along with the Notice convening the 3rd Annual General Meeting scheduled to be held on Friday, 27th September, 2024 at 01:00 PM. (IST) at Plot No. 09, Por Industrial Park, NH 08 Behind Sahyog Hotel, Village Por, Vadodara, Vadodara, Gujarat, India, 391243. The said Annual Report 2023-24 is being sent through electronic mode to the shareholders of the Company.

The aforesaid Annual Report is also available on website of the Company at www.qualityro.in and website of stock Exchange i.e. BSE India Limited at www.bseindia.com

Kindly take the above information on your records.

Yours faithfully,

FOR QUALITY RO INDUSTRIES LIMITED

VIVEK DHOLIYA
MANAGING DIRECTOR
DIN: 09340902

ANNUAL REPORT
OF
QUALITY RO INDUSTRIES
LIMITED
FOR
FINANCIAL YEAR 2023-24

| Content | Page No. |
|---|-----------------|
| Notice | 4 |
| Director's Report | 20 |
| Annexures to Director's Report | |
| Management Discussion and Analysis Report (Annexure – I) | 32 |
| AOC – 2 (Annexure – II) | 36 |
| Secretarial Audit Report - (Annexure – III) | 37 |
| Remuneration as per Section 197(12) (Annexure – IV) | 41 |
| Financial Statement | |
| Standalone Auditor's Report | 42 |
| Standalone Financials Statement | 54 |
| Consolidated Auditor's Report | 64 |
| Consolidated Financials Statement | 72 |

CORPORATE INFORMATION

Board of Directors

| Name | Designation |
|-------------------------------|-------------------------------------|
| 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 Independent Director |

COMPLIANCE OFFICE & COMPANY SECRETARY

Ms. Priyanka Patni (Upto 19 March, 2024)

Ms. Varsha Khaitan (w.e.f. 20 April, 2024)

STATUTORY AUDITORS

M/s. Doshi Doshi & Company

Chartered Accountants

INTERNAL AUDITORS

Beena Varun Koshiya

SECRETARIAL AUDITOR

M/S Dilip Swarnkar & Associates

Company Secretaries

BANKER OF COMPANY:

1. HDFC Bank
2. Kalupar Commercial Bank
3. Kotak Mahindra Bank

REGISTERED OFFICE:

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

Email: vivek@qualityro.in

Web: <https://qualityro.in/>

SKYLINE FINANCIAL PRIVATE LIMITED

D - 153A, 1st Floor, Okhla
Phase - I,

New Delhi – 110020

Tel No.: 91 - 11 - 40450193 - 19

Email: compliances@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Vitendra Si

SEBI Registration No.: INE0000

Equity Shares ISIN code - INE0KAF01018

Listed on Stock Exchange - BSE SME platform

NOTICE IS HEREBY GIVEN THAT THE 3rd ANNUAL GENERAL MEETING OF THE MEMBERS OF QUALITY RO INDUSTRIES LIMITED WILL BE HELD ON FRIDAY, 27TH DAY OF SEPTEMBER, 2024 AT 01:00 PM AT PLOT NO. 09, POR INDUSTRIAL PARK, NH 08 BEHIND SAHAYOG HOTEL, VILLAGE POR VADODARA GJ 391243

Ordinary Business:

1. Adoption of Annual Financial Statements of Company:

- a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2024 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 31st March, 2024 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.

Special Business:

3. 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 2024-25, 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.”

4. Approval for Related Party Transactions with 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 2024-25, 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 with Gopinath Enterprise (Partnership 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 Gopinath Enterprise (Partnership Firm), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for investment, Loan, Guarantee, purchase or sale of Goods or Material, Contracting and sub-contracting of Residential & Commercial Property and other objects of Company, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 20 Crores for the financial year 2024-25, 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 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.”

6. APPROVAL OF CHARGES FOR SERVICE OF DOCUMENTS ON THE SHAREHOLDERS:

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 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any shareholder by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the shareholders be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him/her, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company

to the shareholder.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the director of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

7. Increase in the Remuneration of Mrs. Damini Dholiya (DIN: 09340903), Whole-Time Director of the Company:

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 197, 198 and 203 read with provisions of Schedule V and other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modifications or re-enactment(s) thereof, pursuant to provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, pursuant to provisions of Articles of Association of the Company, pursuant to recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for revision in the managerial remuneration of Mrs. Damini Dholiya (DIN: 09340903), Whole-time Director of the Company to Rs. 50,000/- (Fifty Thousand Only) per month with effect from 1st April, 2024, unless and until revised.”

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the aforesaid remuneration shall be paid to Mrs. Damini Dholiya (DIN: 09340903), Whole-time Director as the minimum remuneration in accordance with the requirements as laid down under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT, any of the director of the Company be and is hereby authorized to file, sign verify and execute all such e-forms, papers, or documents, as may be required, and do all such acts, deeds, matters and things as may be necessary or incidental for giving effect to this resolution and as may be considered desirable or expedient by the Board in the best interest of the Company and its Members.”

**BY ORDER OF THE BOARD OF DIRECTORS
FOR QUALITY RO INDUSTRIES LIMITED**

SD/-

**VIVEK DHOLIYA
MANAGING DIRECTOR
DIN: 09340902**

**PLACE: VADODARA
DATE: 31ST AUGUST, 2024**

NOTES:

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.

1. 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.
2. 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.
3. 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.
4. The Explanatory Statement pursuant to Section 102 of the Act, in respect of the Special Business mentioned in Item No. 3 to 6 of the accompanying Notice is annexed hereto.
5. 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.
6. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
7. 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 3rd Annual General Meeting is annexed to this Notice.
8. 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.
9. All the documents referred to in the Notice are annexed thereto including the Annual Report for the financial year 2023-24 and Notice of the 3rd 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.
10. 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.
 11. 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.
 12. The Board of Director vide resolution dated 31st August, 2024 has appointed M/s Dilip Swarnkar & Associates, Practicing Company Secretaries as scrutinizer for the Annual General Meeting of the Company.
 13. 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 19th March, 2015 by Amendment in Rule 20 of the Companies (Management and Administration) Rules, 2014. Hence pursuant to the notification, the e-voting facility has not been provided.
 14. The Annual Report for the financial year 2023-24 and Notice of the 3rd 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/ and on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com

15. 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.
16. The Route Map of the venue of Annual General Meeting has been attached in the end of this report .

By Order of the Board of Directors

FOR QUALITY RO INDUSTRIES LIMITED

SD/-

**VIVEK DHOLIYA
MANAGING DIRECTOR
DIN: 09340902**

**PLACE: VADODARA
DATE: 31ST AUGUST, 2024**



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. 3 -

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 25, 2024, the Board of Directors in their meeting held on May 25, 2024 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. 2024-25.

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. 2024-25.

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:

| Sr. No. | Particulars | Remarks |
|----------------|---|---|
| 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 2024-25 |
| 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/- for the financial year 2024-25. |
| 6 | Any other information relevant or important for the members to take a decision on the proposed resolution | NIL |
| 7 | Any Advance paid or received for the Contract or Arrangement, if any | 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. 3 of the accompanying Notice, for Members' approval.

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 25, 2024, the Board of Directors in their meeting held on May 25, 2024 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. 2024-25.

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., 2024-25.

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:

| Sr. No. | Particulars | Remarks |
|----------------|---|---|
| 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 2024-25 |
| 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/- for the financial year 2024-25. |
| 6 | Any other information relevant or important for the members to take a decision on the proposed resolution | NIL |
| 7 | Any Advance paid or received for the Contract or Arrangement, if any | 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. 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 25, 2024, the Board of Directors in their meeting held on May 25, 2024 had approved the Related Party Transaction i.e. for investment, Loan, Guarantee, purchase or sale of Goods or Material, Contracting and sub-contracting of Residential & Commercial Property and other objects of Company, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 20 Crores with M/s Gopinath Enterprise (Partnership Firm) for a period of current financial years i.e. 2024-25.

Accordingly, transaction(s) to be entered into with M/s Gopinath Enterprise (Partnership 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 Gopinath Enterprise (Partnership Firm) for a period of current financial years i.e., 2024-25.

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 Gopinath Enterprise (Partnership Firm) are as follows:

| Sr. No. | Particulars | Remarks |
|----------------|---|---|
| 1 | Name of the Related Party | M/s Gopinath Enterprise (Partnership Firm) |
| 2 | Name of the Director or KMP who is related | Mr. Vivek Dholiya and Mrs. Damini Dholiya, directors of Quality RO Industries Ltd |
| 3 | Duration of the Contract or Arrangement including the value, if any | For Financial Year 2024-25 |
| 4 | Nature of relationship; | Quality RO Industries Ltd is holding 51% stake in Gopinath Enterprises (Holding Company) |
| 5 | Nature, material terms, monetary value and particulars of the contract or arrangement | Investment, Loan, Guarantee, purchase or sale of Goods or Material, Contracting and sub-contracting of Residential & Commercial Property and other objects of Company for monetary value up to a maximum aggregate value of Rs. 20 Crores for the financial year 2024-25. |
| 6 | Any other information relevant or important for the members to take a decision on the proposed resolution | NIL |
| 7 | Any Advance paid or received for the Contract or Arrangement, if any | NIL |

Except Mr. Vivek Dholiya and Mrs. Damini Dholiya, 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.

ITEM No. 6 –

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight, and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the company.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 6 of this Notice.

None of the Directors or Key Managerial Personnel of the Company, and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 6 of the Notice.

ITEM No. 7 –

The members are informed that pursuant to provisions of Articles of Association of the Company, the Board has considered and approved the recommendation of Nomination and Remuneration Committee for revision in the managerial remuneration of Mrs. Damini Dholiya (DIN: 09340903), Whole-time Director of the Company. The Management is of the opinion that with the growth of the Company, the leadership of the Company shall also be awarded and hence as a token of appreciation for the hard work of Mrs. Damini Dholiya, the Management of the Company decided to revise the Managerial Remuneration of Mrs. Damini Dholiya, subject to the approval of the Members of the Company. Accordingly, it is proposed to obtain the consent of the members of the Company for revision in the managerial remuneration of Mrs. Damini Dholiya, Whole-time Director of the Company to Rs. 50,000/- (Rupees Fifty Thousand Only) per month with effect from 1st April, 2024, unless and until revised.

The matter has been placed before the shareholders by way of special resolution for their approval and the necessary disclosures as required in Schedule V.

Except Mrs. Damini Dholiya, and their relatives, none of the promoters, directors, key managerial personnel, and their relatives, are considered to be concerned or interested, financially or otherwise, in the passing of above resolution.

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

Sd/-

**Vivek Dholiya
Managing Director
DIN: 09340902**

**Place: Vadodara
Date: 31st August, 2024**

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 3rd Annual General Meeting of Company:

| | |
|---|---|
| Name of the Director | Mrs. Damini Dholiya |
| Director Identification Number | 09340903 |
| Date of Birth | 04/12/1992 |
| Date of Appointment | 30 th September, 2021 |
| Age | 32 |
| Terms and Conditions of appointment | She has been appointed for the period of 5 years with liability to retire by rotation and Rs. 10,000/- per month remuneration. |
| Details of remuneration sought to be paid during F.Y. 2024-25 | Upto Rs. 50,000/- per month subject to approval of members in the Annual General Meeting of Company |
| Details of remuneration drawn during the F.Y. 2023-24 | Rs. 1,20,000/- |
| Qualifications | Master of Science (M.SC) |
| Brief Resume of the Director | 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. |
| Expertise in specific functional areas | Administration of Company Matters |
| 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) | None |
| Chairperson/Member of Committee(s) of Board of Directors of the Company | Stakeholders Relationship Committee - Member |
| Shareholding of non-executive directors [in the listed entity, including shareholding as a beneficial owner]; | None |
| Shareholding in Company (Equity) | 69,790 Equity Shares; (2.74 % of total Paid up shares Capital) |
| Disclosure of relationships between directors inter-se; | Mrs. Damani Dholiya is Wife of Mr. Vivek Dholiya , Managing Director of Company. |
| The number of Meetings of the Board attended during the year | 06 Meetings |

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: L29308GJ2021PLC126004
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 3rd Annual General Meeting of the Company, to be held Friday, 27th day of September, 2024, at Plot No. 09, POR Industrial Park, NH 08 Behind Sahayog Hotel Village POR, Vadodara-391243 at 01:00 PM 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 31st March, 2024 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. Approval for Related Party Transactions with M/s Jay Ambe Trading (Proprietorship Firm);
4. Approval for Related Party Transactions with M/s Jay Ambe Transport, (Proprietorship Firm);
5. Approval for Related Party Transactions with M/s Gopinath Enterprise (Partnership Firm);
6. Approval of charges for service of documents on the shareholders;
7. Increase in the Remuneration of Mrs. Damini Dholiya (DIN: 09340903), Whole-Time Director of the Company

Affix
Revenue
Stamp

Signed this day of 2024

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 3rd Annual General Meeting of the Company on Friday, 27th day of September, 2024, at Plot No. 09, POR Industrial Park, NH 08 Behind Sahayog Hotel, Village POR, Vadodara-391243 at 01:00 PM.

Member's/Proxy's
Signature

Notes:

1. Please refer to the instructions printed under the Notes to the Notice of the 3rd 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 3rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2024.

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 | |
|---|-----------------------|---------------|-------------------------|---------------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Income from operations | 1,177.60 | 552.05 | 1,322.18 | 552.05 |
| Other Income | 22.62 | 6.52 | 14.00 | 6.52 |
| Total revenue | 1,200.22 | 558.57 | 1,336.18 | 558.57 |
| Total Expenses | 1,004.82 | 563.14 | 1132.41 | 563.14 |
| Profit before tax | 195.40 | (4.58) | 203.76 | (4.58) |
| Current Tax | 48.40 | (1.62) | 48.40 | - |
| Deferred Tax Charge | (0.33) | (1.11) | (0.33) | (1.11) |
| MAT Credit | - | - | - | (1.62) |
| Profit from Continuing Operations after Tax (PAT) | 147.34 | (1.84) | 155.70 | (1.84) |

2. BUSINESS OPERATION:

During the year under the review, the Company has informed net profit Rs. 147.34 lakhs. Your directors are expecting robust growth in near future.

The Gross income from operations of your Company is Rs. 195.40 Lakhs. The net profit after tax for the year under review is Rs. 147.34 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:

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, 2024, the Board met 6 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. Varsha Khaitan (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 must 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 4 (Four) 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. Varsha Khaitan (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 one 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. Varsha Khaitan (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:

| General Meeting Date | Business Transacted in the Meeting | Type of Meeting |
|-----------------------------|--|------------------------|
| 29/09/2023 | <ol style="list-style-type: none">1. Audited Standalone and consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024 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. Doshi Doshi & Co, Chartered Accountants having Firm Registration No. 153683W, as the Statutory Auditors to hold office for the period of | AGM |

| | | |
|--|--|--|
| | 5 years. | |
| | 4. Approval for Related Party Transactions with Jay Ambe Trading (Proprietorship Firm) | |
| | 5. Approval for Related Party Transactions with Jay Ambe Transport (Proprietorship Firm) | |

V. INTERNAL COMPLAINT COMMITTEE:

Pursuant to the provision Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”), the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31st March, 2024. Further Company has zero tolerance for sexual harassment for women at workplace.

VI. MEETING OF INDEPENDENT DIRECTOR:

One Meeting of the Independent Director held during the financial year 2023-24.

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 is Partner and holding 51% stake in Gopinath Enterprises, a Partnership Firm. Except above, it does not have any Joint Venture or Holding Company as on 31st March, 2024.

10. CHANGES IN SHARE CAPITAL:

There are no changes in the share capital of the company during the year.

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 31st March, 2024, 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 31st March 2024 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:

During the financial year, Loans given, Guarantees provided and Investments made pertaining to section 186 of Companies Act, 2013 has been mentioned in the notes of financial statements of Company.

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. Damini Dholiya, Mr. Shirish Amrutlal Kotadia, Mr. Ankit Jagdish bhai Kansara, Mr. Pankil Anilbhai Gandhi.

Further during the year under review, following changes regarding appointment/reappointment has been done in Management of Company:

1. Ms. Priyanka Patni has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 19-03-2024

Details of all Directors/KMP has been mentioned below:

| S. No. | Name of Director/KMP | Designation | Promoter/ Independent /KMP/ Professional | Executive/ non-executive | Date of Appointment/ Change Designation |
|--------|-------------------------------|-------------------------|--|-------------------------------|---|
| 1. | Mr. Vivek Dholiya | Managing Director | Promoter & KMP | Executive Director & Chairman | 30/09/2021 |
| 2. | Ms. Damini Vivek Dholiya | Executive Director | Promoter Group | Whole Time Director | 30/09/2021 |
| 3. | Mr. Ankit Jagdishbhai Kansara | Non- executive Director | Independent | Non – Executive | 29/11/2021 |
| 4. | Mr. Shirish Amrutlal Kotadia | Director | Independent | Non – Executive | 14/12/2021 |
| 5. | Mr. Pankil Anilbhai Gandhi | Director | Independent | Non – Executive | 14/12/2021 |
| 6. | Ms. Beena Varun Koshiya | CFO | KMP | NA | 15/12/2021 |
| 7. | Ms. Varsha Khaitan | Company Secretary | KMP | NA | 20/04/2024 |

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company, Ms. Damini Vivek Dholiya retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself 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 06th 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 2nd AGM of Company till the conclusion of its 7th AGM, to be held in the year 2028.

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 Ms. Beena Varun Koshiya as an Internal Auditor for conducting the Internal Audit of the Company for the Financial year 2024-25.

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 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is set out in **Annexure – III** to this Report.

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 2023-24.

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. 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.

33. 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

34. 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.

35. GREEN INITIATIVE:

In compliance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.qualityro.in.

36. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as **Annexure IV** which forms part of this Report.

37. 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.

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

Sd/-

**Vivek Dholiya
Managing Director
DIN: 09340902**

**Damini Dholiya
Whole-time Director**

DIN: 09340903

**Place: Vadodara
Date: 31st August, 2024**



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 09th 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.
- E. **Real Estate – Residential and commercial property development**

Financial Performance:

| Segment | Revenue (Rs. In Lakhs) | % of total |
|----------------|------------------------|---------------|
| RO Products | 395.34 | 29.90 |
| Transportation | 782.26 | 59.16 |
| Realty Sector | 144.58 | 10.93 |
| Total | 1322.18 | 100.00 |

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, there is no change in the share capital of the company.

Reserves and Surplus:

The Reserve and Surplus of Company on Standalone Basis is Rs. 715.29 Lakhs as on period ended on 31st March, 2024.

The Reserve and Surplus of Company on Consolidated Basis is Rs. 723.66 Lakhs as on period ended on 31st March, 2024.

Total Income:

The Company has earned total Income 1,200.22 Lakhs on Standalone basis as on period ended on 31st March, 2024.

The Company has earned total Income 1,336.18 Lakhs on Consolidated basis as on period ended on 31st March, 2024.

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, 2024 | As at March 31, 2023 | Variance | Remark |
|--------------------------|----------------------|----------------------|----------|-------------------------------------|
| Current Ratio | 3.3% | 4.1% | -21% | Less than +/- 25% |
| Interest covering Ratio | -4% | -7% | -38% | Lower debts in FY 2024 |
| Operating Profit Ratio | 0.13 % | 0 | -3846% | Higher operations profit in FY 2024 |
| Debt-Equity Ratio | 21% | 29% | -27% | Lower debts in FY 2024. |
| Inventory Turnover Ratio | 10.48% | 14.90% | -30% | Higher operations in FY 2024. |

| Description | As at March 31, 2024 | As at March 31, 2023 | Variance | Remark |
|----------------------------------|----------------------|----------------------|----------|--------------------------------------|
| Trade Receivables Turnover Ratio | 6.76% | 6.77% | 0% | Lower debts in FY 2024 |
| Net Profit Ratio | 0.13% | 0% | -3846% | Higher operations profit in FY 2024. |

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

The Return on Net Worth for F.Y. 2023-24 was 16% and for F.Y. 2022-23 was 0. The reason for change is Higher operations profit in FY 2024.

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**

Sd/-

**Vivek Dholiya
Managing Director
DIN: 09340902**

**Place: Vadodara
Date: 31st August, 2024**

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 during the year ended 31st March, 2024, 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, 2024. 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: 31st August, 2024**



Annexure – III

**Form No. MR-3
SECRETARIAL AUDIT REPORT OF
QUALITY RO INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st March, 2024**

[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, 2024 (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 maintained by the Company for the Audit Period, according to the provisions of the following laws:
 - I. The Companies Act, 2013 and the Rules made there under and the applicable provisions of the Companies Act, 1956;
 - 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') and FEMA Regulation: -
 - a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, (Not applicable to the Company during the audit period)
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - g) 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; **(Not applicable to the Company during the audit period)**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- V. Compliances/ processes/ systems under other specific applicable Laws (as applicable to the industry) are being relied based on Internal Report maintained by Company under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and Listing Agreement entered by the Company with stock Exchange i.e. BSE LTD during the Audit Period. Further the Company has also 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.,

**FOR DILIP SWARNKAR & ASSOCIATES
COMPANY SECRETARIES**

**DATE: 19-08-2024
PLACE: MUMBAI**

Sd/-

**DILIP KUMAR SWARNKAR
PROPRIETOR
ACS 47600 & CP 26253
PEER REVIEW NO. – 2838/2022
UDIN: A047600F000998132**

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, 2024)

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 31st March, 2024 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: 19-08-2024
PLACE: MUMBAI**

Annexure – IV

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

| No. | Name of the Director / Key Managerial Person (KMP) and Designation | increase/ (decrease) in remuneration in the financial year 2023-24 | Ratio of remuneration of each Director/KMP to median remuneration of employees |
|-----|--|--|--|
| 1 | Vivek Dholiya – Chairman & Managing Director | -50% | 3.64 |
| 2 | Damini Vivek Dholiya – Whole Time Director | 0% | 1.00 |
| 3 | Ankit Jagdishbhai Kansara – * Non-Executive Independent Director | NA | NA |
| 4 | Shirish Amrutlal Kotadia – * Non-Executive Independent Director | NA | NA |
| 5 | Pankil Anilbhai Gandhi – * Non-Executive Independent Director | NA | NA |
| 6 | Priyanka Patni – CS# | 2100% | 0.73 |
| 7 | Beena Varun Koshiya - CFO | NA | NA |

* Comparable figures are not available since NA has been mentioned.

#Ms. Priyanka Patni was appointed as Company Secretary on 19.03.2023 since the comparable % is coming high i.e. 2100%.

2. The percentage increase in the median remuneration of employees of the Company in the financial year:

During the financial year 2023-24, the median remuneration of employees of the Company was increased by 10%

3. The number of permanent employees on the rolls of Company:

As on March 31, 2024, there were 3 permanent employees on the rolls of the Company.

4. Average percentile increases/(decrease) made in the salaries of employees other than managerial personnel in the last financial year i.e. 2023-24 was: (100%)

5. Average percentile increases/(decrease) in the managerial remuneration in the last financial year i.e. 2023-24 was (40%)

6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

INDEPENDENT AUDITOR'S REPORT To Quality RO Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quality RO Industries Limited (“the Company”), which comprise the balance sheet as at 31st March 2024, the statement of Profit and Loss, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibility 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 ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024
- f) from being appointed as a director in terms of Section 164 (2) of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- h) As required by 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, we report that remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigation on Company for which disclosure is required.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred Investor Education and Protection Fund by the Company.
 - iv. Based on our examination, carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility.
- j) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in notes to accounts, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad - 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement

For **Doshi Doshi & Co**,
Chartered Accountants
Firm Registration No.: 153683W

Sd/-

Chintan Doshi
Partner
Membership No.:158931
UDIN: 24158931BKAUGF5947

Place: Ahmedabad
Date: May 25, 2024

“Annexure – A” referred to in the Independent Auditors’ Report of even date to the members of Quality RO Industries Limited on the Financial Statements for the year ended March 31, 2024

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Quality RO Industries Limited for the year ended 31 March, 2024.

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) Some of the fixed assets were physically verified during the year by the management in accordance with programmed of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company does not possess any immovable property, hence this clause will not be applicable.
 - (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment during the year except buildings.
 - (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2.
 - (a) The stock of Inventories has been physically verified at reasonable intervals by the Management.
 - (b) The Company has not been sanctioned working capital limits in excess of limits prescribed in Order, from banks on the basis of security of current assets. Hence, clause not applicable.
3. In our opinion and according to the information and explanations given to us, the Company has made investment in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year in respect of which:
 - a. The company has not provided any advances in the nature of loans, guarantee and security to any other entity during the year. Hence, clause (a), (c), (d), (e) & (f) not applicable.
 - b. The investment made, guarantee provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are, in our opinion, prima-facie, not prejudicial to the company’s interest.
4. The company has complied with the provisions of section 185 & 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantee or securities provided as applicable.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

5. As informed, Company has not accepted any deposit or amount which is deemed to be deposit. Hence, reporting under clause (iii) (v) of the order is not applicable.
6. According to information and explanation given to us, the Company is not required to maintain any cost records as specified by the Central Government under section 148(1) of the Act Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
7.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees state insurance, Income Tax, Value added tax, cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2024, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
 - (b) There are no dues outstanding in respect of income- tax, sales-tax, service- tax, duty of customs, duty of excise and value added tax on account of any dispute.
8. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
9.
 - (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, no funds raised on short term basis have been utilized for long term purposes.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
10.
 - (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;
11. (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) According to the information and explanations given to us, there were is no whistle blower complaints received by the Company during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standard.
14. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause (xvi) (a), (b), (c) and (d) of the Order is not applicable.
17. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
18. There has been resignation of the statutory auditors during the year. There were no issues, objections or concerns raised by the outgoing auditors.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Doshi Doshi & Co,**
Chartered Accountants
Firm Registration No.: 153683W

Sd/-

Chintan Doshi
Partner
Membership No.:158931
UDIN: 24158931BKAUGF5947

Place: Ahmedabad
Date: May 25, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2024

Referred to in paragraph 2 (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Quality RO Industries Limited** for the year ended 31 March 2024.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Quality RO Industries Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Director's are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgment, 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 with reference to these financial statements.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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 authorization of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Doshi Doshi & Co,**
Chartered Accountants
Firm Registration No.: 153683W

Sd/-

Chintan Doshi
Partner
Membership No.:158931
UDIN: **24158931BKAUGF5947**

Place: Ahmedabad

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad - 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

Date: May 25, 2024

QUALITY RO INDUSTRIES LIMITED

Balance Sheet as at 31 Mar 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | Note No | As at 31 March 2024 | As at 31 March 2023 |
|--|---------|------------------------|------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Equity share capital | 3 | 255.00 | 255.00 |
| Reserves and surplus | 4 | 715.29 | 567.95 |
| | | 970.29 | 822.95 |
| Non Current Liabilities | | | |
| Long term Borrowings | | 108.03 | 120.57 |
| | | 108.03 | 120.57 |
| Current liabilities | | | |
| Short term Borrowings | | 98.60 | 120.06 |
| Trade payables | | | |
| - Total outstanding dues of micro and small enterprises | 5 | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | 5 | 14.47 | 47.70 |
| Other current liabilities | 6 | 3.87 | 5.99 |
| Short term provisions | | 36.18 | - |
| | | 153.11 | 173.74 |
| Total | | 1,231.43 | 1,117.27 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Tangible assets | 7 | 212.25 | 215.68 |
| Investment in Firm | | 510.00 | 170.00 |
| Deferred Tax Assets | 8 | 7.56 | 7.23 |
| Long-term loans and advances | 9 | 3.58 | 10.48 |
| | | 733.39 | 403.39 |
| Current assets | | | |
| Inventories | 10 | 66.59 | 42.46 |
| Trade receivables | 11 | 185.24 | 162.97 |
| Cash and cash equivalents and other bank balance | 12 | 65.25 | 46.67 |
| Short-term loans and advances | 13 | 161.84 | 456.77 |
| Other current assets | 14 | 19.12 | 5.02 |
| | | 498.04 | 713.89 |
| Total | | 1,231.43 | 1,117.27 |

Notes 1 to 29 form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Doshi Doshi & Co

Chartered Accountants

Firm Registration No. 153683W

Sd/-

Chintan Doshi

Partner

Membership No. : 158931

Place : Ahmedabad

Date : May 25, 2024

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

Sd/-

Vivek Dholiya

Managing Director

DIN: 09340902

Sd/-

Damini Dholiya

Whole Time Director

DIN: 09340903

Sd/-

Varsha Khaitan

Company Secretary

Membership No. :42836

Place : Vadodara

Date : May 25, 2024

Sd/-

Beena Varun Koshiya

CFO

QUALITY RO INDUSTRIES LIMITED
Statement of Profit and Loss for the year ended 31 Mar 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | Note No | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|---------|-------------------------------------|-------------------------------------|
| Income (A) | | | |
| Revenue from operations | 15 | 1,177.60 | 552.05 |
| Other income | 16 | 22.62 | 6.52 |
| Total income | | 1,200.22 | 558.57 |
| Expenses (B) | | | |
| Cost of Material Consumed | 17 | 811.89 | 299.73 |
| Changes in Inventories | 18 | (17.89) | 16.55 |
| Employee benefits expense | 19 | 8.85 | 16.80 |
| Finance costs | 20 | 13.67 | 11.09 |
| Depreciation | 7 | 50.42 | 68.68 |
| Other expenses | 21 | 137.88 | 150.30 |
| Total expenses | | 1,004.82 | 563.15 |
| Profit before tax | | 195.41 | (4.58) |
| Tax expenses | | | |
| Current tax | | 48.40 | - |
| Mat Credit entitlement | | - | (1.62) |
| Deferred tax (credit) / charge | | (0.33) | (1.11) |
| Total tax expenses | | 48.07 | (2.73) |
| Profit / (Loss) for the year (A-B) | | 147.34 | (1.84) |
| Profit / (Loss) per equity share of face value of Rs. 10 each | | | |
| Basic (in Rs.) | 22 | 5.78 | (0.09) |

Notes 1 to 29 form an integral part of these financial statements.

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

For Doshi Doshi & Co
Chartered Accountants
Firm Registration No. 153683W

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

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

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

QUALITY RO INDUSTRIES LIMITED

Cash flow statement for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 195.41 | (4.58) |
| Depreciation | 50.42 | 68.68 |
| Interest Income | (1.45) | (7.22) |
| Finance Cost | 13.67 | 16.32 |
| Movements in working capital: | | |
| (Increase) in trade receivables | (22.27) | (126.33) |
| (Decrease)/Increase in trade payables | (33.23) | 35.52 |
| (Decrease)/increase in other current liabilities | (2.12) | 2.32 |
| (Increase) / decrease in Inventories | (24.13) | 14.03 |
| Decrease in Long term Loans and advances | 2.50 | - |
| (Increase) in Short Term Loans and advances | (66.46) | (0.13) |
| Decrease/(Increase) in other current assets | (14.10) | 4.76 |
| Cash generated (used in)/from operations | 98.23 | 3.38 |
| Income tax paid | (7.83) | - |
| Net cash flow generated (used in) operating activities (A) | 90.41 | 3.38 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property plant & equipment and intangible asset | (46.99) | - |
| FD (bought) / redeemed | 361.40 | (411.40) |
| Investment bought | (340.00) | (170.00) |
| Interest received | 1.45 | 7.22 |
| Net cash flow (used in) investing activities (B) | (24.14) | (574.18) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issuing share Capital | - | 62.00 |
| Finance Cost | (13.67) | (16.32) |
| Borrowings repaid | (34.01) | 6.32 |
| Share Premium from fresh issue | - | 372.00 |
| Net cash flow used in financing activities (C) | (47.67) | 424.00 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 18.59 | (146.80) |
| Cash and cash equivalents at the beginning of the year | 46.67 | 193.47 |
| Cash and cash equivalents at the end of the year | 65.26 | 46.67 |

Notes

The cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 ('AS 3') on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006.

This is the cash flow statement referred to in our report of even date.

For Doshi Doshi & Co
Chartered Accountants
Firm Registration No. 153683W

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

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

QUALITY RO INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

3 Share capital

| Particulars | Numbers | As at 31 March 2024 | Numbers | As at 31 March 2023 |
|---------------------------------------|-----------|------------------------|-----------|------------------------|
| Authorised | | | | |
| Equity shares of Rs.10 each | 35,00,000 | 350 | 35,00,000 | 350 |
| | | 350 | | 350 |
| Issued, subscribed and paid up | | | | |
| Equity shares of Rs.10 each | 25,50,000 | 255 | 25,50,000 | 255 |
| Total | | 255 | | 255 |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

| | | | |
|---|--|------------------|------------------|
| Outstanding equity shares at the beginning of the year | | 25,50,000 | 19,30,000 |
| Add: Issue of equity shares during the year | | - | 6,20,000 |
| Add: Bonus issue of equity shares during the year | | - | - |
| Outstanding equity shares at the end of the year | | 25,50,000 | 25,50,000 |

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs, 10/- per shares each holder of equity shares is entitled to one vote per shares.

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

(c) Details of shares held by each shareholder holding more than 5% shares

| Equity shares of Rs. 10 each | Number | % Shareholding | Number | % Shareholding |
|------------------------------|-----------|----------------|-----------|----------------|
| Vivek Doliya | 11,58,000 | 45.41% | 11,58,000 | 45.41% |

As per records of the Company, including its register of members and other declaration received from share holders regarding beneficiary interest, the above share holding represents both legal and beneficial ownership of shares.

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately

| Particulars | Mar 31, 2024 Number | Mar 31, 2023 Number |
|---|------------------------|------------------------|
| Equity shares allotted as fully paid bonus shares by capitalization of reserves | - | - |

(f) Details of shareholding of promoters:

| Shares held by promoters at the end of the year | Mar 31, 2024 | Mar 31, 2024 | % change during the period / year |
|---|---------------|-------------------|-----------------------------------|
| Promoter name | No. of shares | % of total shares | |
| Vivek Doliya | 11,58,000 | 45.41% | 0.00% |
| Shares held by promoters at the end of the year | Mar 31, 2023 | Mar 31, 2023 | % change during the period / year |
| Promoter name | No. of shares | % of total shares | |
| Vivek Doliya | 11,58,000 | 45.41% | 4.70% |

4 Reserves and surplus

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Securities premium account | | |
| Opening Balance | 554.90 | 182.90 |
| Add:- Newly issued shares | - | 372.00 |
| Closing Balance | 554.90 | 554.90 |
| Surplus in the statement of profit and loss | | |
| Opening balance | 13.05 | 14.90 |
| Add: profit for the period / year | 147.34 | (1.84) |
| Surplus in statement of profit and loss | 160.39 | 13.05 |
| TOTAL | 715.29 | 567.95 |

QUALITY RO INDUSTRIES LIMITED
Notes to financial statements for the year ended March 31, 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| 5 Long term Borrowings | | |
| Secured Loans | | |
| From Bank | - | 30.92 |
| Vehicle Loan | 107.94 | 89.22 |
| Unsecured Loans | | |
| From Director | 0.09 | 0.43 |
| | 108.03 | 120.57 |

Securities for term loans

a) Vehicle loan from bank is secured against vehicle.

Term of Repayment

a) Vehicle Loan from Kiestsu Saison Finance (India) Pvt Ltd of Rs. 20.00 lakhs repayable in 36 principal installments of Rs. 0.73 lakh starting from May 2023. Rate of Interest is 19% p.a.

b) Vehicle Loan from Kalupur Commercial Co-operative bank of 89.22 lakhs (PY:114.27 lakhs repayable in 60 installments of Rs. 2.68 lakhs Rate of Interest is 7% p.a.

c) Vehicle Loan from Kotak mahindra bank limited of 53.84 lakhs repayable in 36 installments of Rs. 1.85 lakhs.

| | | |
|-------------------------------------|--------------|---------------|
| 6 Short term Borrowing | | |
| Cash Credit | 47.47 | 95.01 |
| Current Maturity of long term loans | 51.13 | 25.05 |
| | 98.60 | 120.06 |

5 Trade payables

- Total outstanding dues of micro and small enterprises

- Total outstanding dues of creditors other than micro and small enterprises

| | |
|--------------|--------------|
| - | - |
| 14.47 | 47.70 |
| 14.47 | 47.70 |

Trade payables Ageing Schedule

As at 31 March 2024

| | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-------------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 14.04 | 0.43 | - | - | 14.47 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| | 14.04 | 0.43 | - | - | 14.47 |

As at 31 March 2023

| | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 47.70 | - | - | - | 47.70 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| | 47.70 | - | - | - | 47.70 |

6 Other current liabilities

| | | |
|-----------------|-------------|-------------|
| Statutory dues | 0.10 | 1.23 |
| Deposit payable | 1.96 | 1.96 |
| Expense payable | 1.80 | 2.80 |
| | 3.87 | 5.99 |

7 Short term provisions

| | | |
|--|--------------|---|
| Provision for tax (Net of Advance tax) | 36.18 | - |
| | 36.18 | - |

QUALITY RO INDUSTRIES LIMITED
Notes to financial statements for the year ended March 31, 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

7 Property, Plant and equipment

| Particulars | Factory Land | Factory Building | Office Equipments | Plant & Machinery | Vehicle - Truck | Vehicles | Total |
|------------------------------------|--------------|------------------|-------------------|-------------------|-----------------|--------------|---------------|
| Gross block | | | | | | | |
| Balance as at 31 March 2022 | 33.45 | 17.46 | 0.70 | 80.87 | 154.59 | 11.70 | 298.77 |
| Additions during the year | - | - | - | - | - | - | - |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2023 | 33.45 | 17.46 | 0.70 | 80.87 | 154.59 | 11.70 | 298.77 |
| Additions during the year | - | - | - | - | 46.99 | - | 46.99 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2024 | 33.45 | 17.46 | 0.70 | 80.87 | 201.58 | 11.70 | 345.77 |
| Depreciation and impairment | | | | | | | |
| Balance as at 31 March 2022 | - | 0.31 | 0.06 | 7.87 | 4.51 | 1.66 | 14.42 |
| Charge for the Year | - | 1.74 | 0.40 | 16.83 | 46.36 | 3.34 | 68.67 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2023 | - | 2.05 | 0.46 | 24.71 | 50.88 | 5.00 | 83.10 |
| Charge for the Year | - | 1.46 | 0.11 | 10.17 | 36.59 | 2.09 | 50.42 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2024 | - | 3.51 | 0.57 | 34.87 | 87.47 | 7.10 | 133.52 |
| Net Book Value | | | | | | | |
| As at 31 March 2024 | 33.45 | 13.95 | 0.13 | 46.00 | 114.11 | 4.61 | 212.25 |
| As at 31 March 2023 | 33.45 | 15.42 | 0.24 | 56.16 | 103.71 | 6.70 | 215.68 |
| As at 31 March 2022 | 33.45 | 17.15 | 0.64 | 73.00 | 150.07 | 10.04 | 284.35 |

8 Deferred tax liabilities (Net) / (Deferred tax Assets (Net))

| Particulars | As at 31 March 2024 | Charge / (credit) for the current reporting year | As at 31 March 2023 |
|--|-------------------------|---|-------------------------|
| Deferred Tax Liabilities | | | |
| Depreciation | (7.56) | (0.33) | (7.23) |
| | <u>(7.56)</u> | <u>(0.33)</u> | <u>(7.23)</u> |
| Deferred Tax Assets | | | |
| Net Deferred Tax Liabilities / (assets) | <u>(7.56)</u> | <u>(0.33)</u> | <u>(7.23)</u> |
| | | | |
| Particulars | As at March 31, 2023 | Charge / (credit) for the previous reporting year | As at March 31, 2022 |
| Deferred Tax Liabilities | | | |
| Depreciation | (7.23) | (1.11) | (6.12) |
| | <u>(7.23)</u> | <u>(1.11)</u> | <u>(6.12)</u> |
| Deferred Tax Assets | | | |
| Net Deferred Tax Liabilities / (assets) | <u>(7.23)</u> | <u>(1.11)</u> | <u>(6.12)</u> |

QUALITY RO INDUSTRIES LIMITED
Notes to financial statements for the year ended March 31, 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| 9 Long term loans and advances (Unsecured considered good unless otherwise stated) | | |
| Security deposit | 3.58 | 6.09 |
| Advance Tax (Net of Provision for Tax) | 0.00 | 4.39 |
| | 3.58 | 10.48 |
| 10 Inventories | | |
| Stock at end- Raw Material | 32.75 | 26.51 |
| Stock at end- Finished Goods | 33.84 | 15.95 |
| | 66.59 | 42.46 |
| 11 Trade receivables (Unsecured, considered good unless otherwise stated) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| - Considered good | 2.17 | 15.61 |
| - Considered doubtful | - | - |
| | - | - |
| Less: Provision for doubtful debts | - | - |
| | 2.17 | 15.61 |
| Other receivables | | |
| - Considered good | 183.07 | 147.36 |
| Total | 185.24 | 162.97 |

Trade receivables Ageing Schedule

As at 31 March 2024

| | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 183.07 | - | 2.17 | - | - | 185.24 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| Total | - | - | 2.17 | - | - | 185.24 |

As at 31 March 2023

| | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 147.36 | - | 8.48 | 7.13 | - | 162.97 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| Total | - | - | - | 7.13 | - | 162.97 |

12 Cash and cash equivalents and other bank balance

| | | |
|---------------------|--------------|--------------|
| In current accounts | - | 18.20 |
| Cash in hand | 65.25 | 28.47 |
| | 65.25 | 46.67 |

13 Short term loans and advances

| | | |
|---|---------------|---------------|
| (Unsecured considered good unless otherwise stated) | | |
| Balance from Government Authorities | 16.84 | 45.37 |
| Fixed Deposits with Banks (maturing between 3 to 12 months) | 50.00 | 411.40 |
| Vendor Advances | 95.00 | - |
| | 161.84 | 456.77 |

14 Other current assets

| | | |
|----------------------|--------------|-------------|
| Prepaid Expense | - | 2.81 |
| Interest receivables | 19.12 | 2.21 |
| | 19.12 | 5.02 |

QUALITY RO INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| 15 Revenue from operations | | |
| Sale of products | 395.34 | 201.78 |
| Sale of Services | 782.26 | 350.26 |
| | 1,177.60 | 552.05 |
| 16 Other income | | |
| Interest Income | 21.17 | 6.43 |
| Other income | 1.45 | 0.09 |
| | 22.62 | 6.52 |
| 17 Cost of Material Consumed | | |
| Opening Stock of Raw Material | 26.51 | 23.99 |
| Purchases | 311.61 | 215.52 |
| Expenses pertaining to transport services | 506.52 | 86.72 |
| Closing Stock of Raw Material | (32.75) | (26.51) |
| | 811.89 | 299.73 |
| 18 Changes in Inventories | | |
| Closing Stock of Finished goods | (33.84) | (15.95) |
| Opening Stock of Finished goods | 15.95 | 32.50 |
| | (17.89) | 16.55 |
| 19 Employee benefits expense | | |
| Salary and Wages | 1.65 | 3.60 |
| Director Remuneration | 7.20 | 13.20 |
| | 8.85 | 16.80 |
| 20 Finance costs | | |
| Interest expense | 11.16 | 11.09 |
| Other borrowing cost | 2.51 | - |
| | 13.67 | 11.09 |
| 21 Other expenses | | |
| Rent expenses | 2.25 | 3.00 |
| Power and Fuel | 104.91 | 131.94 |
| Insurance | 6.32 | 0.28 |
| Repair and maintenance - others | 0.32 | 3.15 |
| Payments to auditor (refer details below) | 1.80 | 1.50 |
| Director Sitting fees | 0.30 | 0.38 |
| Bank Charges | 2.40 | 4.07 |
| Legal and Professional | 8.89 | 2.46 |
| Rates and taxes | 5.42 | 2.75 |
| Miscellaneous Expense | 5.27 | 0.78 |
| | 137.88 | 150.30 |
| Payment to auditor | | |
| Audit fee | 1.80 | 1.50 |
| Reimbursement of expenses | - | - |
| Total | 1.80 | 1.50 |
| 22 Profit / (Loss) per Equity share | | |
| Net profit / (loss) attributable to equity shareholders (A) | 1,47,34,015 | (1,84,407) |
| Nominal value per equity share | 10 | 10 |
| Weighted average number of equity shares outstanding during the year (B) | 25,50,000 | 19,93,000 |
| Basic profit / (loss) per equity share in rupees of face value of INR 10 (A)/(B) | 5.78 | (0.09) |

23 Related party disclosure as required by Accounting standard (AS)-18 "Related Party Disclosures"

i) Related parties where control exists

Key Management Personnel
Vivek Dholiya

iii) Related party transactions and outstanding balances

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial year and the outstanding balances as at Mar 31, 2024

| Particulars | Year ended/ As at | Loan Taken | Loan Repaid | Director Remuneration | Sale of Products | Purchases | Prepaid expenses | Amount receivable from related parties | Amount payable to related parties |
|---------------------------------|-------------------|------------|-------------|-----------------------|------------------|-----------|------------------|--|-----------------------------------|
| Key Management Personnel | | | | | | | | | |
| Damini Dholiya | 31-Mar-24 | | | 1.20 | | | | | |
| | 31-Mar-23 | | | 1.20 | | | | | |
| Vivek Dholiya | 31-Mar-24 | 47.10 | 47.45 | 6.00 | - | - | - | - | 0.09 |
| | 31-Mar-23 | 35.66 | 36.50 | 12.00 | - | - | - | - | 0.43 |
| Sister Concerns | | | | | | | | | |
| Jay Ambe Trading Co. | 31-Mar-24 | - | - | - | - | 158.84 | - | - | - |
| | 31-Mar-23 | - | - | - | - | 89.38 | - | - | 30.01 |
| | | | | | | | | | |
| Jay Ambe Transport | 31-Mar-24 | - | - | - | - | 210.74 | 95.00 | - | - |
| | 31-Mar-23 | - | - | - | 11.05 | - | - | 4.26 | - |

24 Additional Notes

(A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(B) The Company does not have any investment property.

(C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.

(D) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2024:

(i) repayable on demand; or,

(E) The company is not declared willful defaulter by any bank or financial institution or other lender.

(F) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(G) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(H) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(I) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(J) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.

(K) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(L) The Provision of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are not applicable to the Company during the year and hence reporting under this clause is not applicable.

| 25 Earnings in foreign currency | As at31 March 2024 | As at31 March 2023 |
|--|---------------------------|---------------------------|
| Sale of products | - | - |
| | <u>-</u> | <u>-</u> |

| 26 Expenditure in foreign currency | As at31 March 2024 | As at31 March 2023 |
|---|---------------------------|---------------------------|
| Cost of purchase | - | - |
| | <u>-</u> | <u>-</u> |

| 27 CIF value of Imports | As at31 March 2024 | As at31 March 2023 |
|--|---------------------------|---------------------------|
| CIF value of Import for component & spares | - | - |
| | <u>-</u> | <u>-</u> |

28 Capital commitment and contingent liabilities

a) Capital commitment

There are no capital commitment outstanding as at reporting date (as at March 31, 2023: Nil).

b) Contingent liabilities

There are no contingent liabilities

QUALITY RO INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

29 Ratio analysis and its elements

| Ratio | As at 31 March 2024 | As at 31 March 2023 | % Change | Reasons |
|---------------------------------|------------------------|------------------------|----------|-------------------------------------|
| Current ratio | 3.3 | 4.1 | -21% | Less than +/- 25% |
| Debt- Equity Ratio | 21% | 29% | -27% | Lower debts in FY 2024 |
| Debt Service Coverage ratio | (4) | (7) | -38% | Lower debts in FY 2024 |
| Return on Equity ratio | 16% | 0% | -3767% | Higher operations profit in FY 2024 |
| Inventory Turnover ratio | 10.48 | 14.90 | -30% | Higher operations in FY 2024 |
| Trade Receivable Turnover Ratio | 6.76 | 6.77 | 0% | Less than +/- 25% |
| Trade Payable Turnover Ratio | 26.12 | 12.57 | 108% | Higher operations in FY 2024 |
| Net Capital Turnover Ratio | 3.41 | 1.02 | 234% | Higher operations in FY 2024 |
| Net Profit ratio | 0.13 | (0.00) | -3846% | Higher operations profit in FY 2024 |
| Return on Capital Employed | 0.22 | 0.01 | 2622% | Higher operations profit in FY 2024 |
| Return on Investment | 42.34% | 1.56% | 2609% | FD redeemed in FY 2024 |

Numerator / Denominator

| Ratio | Numerator | Denominator |
|---------------------------------|--|--|
| Current ratio | Current Assets | Current Liabilities |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expe | Debt service = Interest & Lease Payments + Principal Repayments |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Ta |
| Return on Investment | Interest (Finance Income) | Investment |

For Doshi Doshi & Co

Chartered Accountants

Firm Registration No. 153683W

Sd/-

Chintan Doshi

Partner

Membership No. : 158931

Place : Ahmedabad

Date : May 25, 2024

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

Sd/-

Vivek Dholiya

Managing Director

DIN: 09340902

Sd/-

Varsha Khaitan

Company Secretary

Membership No. :42836

Place : Vadodara

Date : May 25, 2024

Sd/-

Damini Dholiya

Whole Time Director

DIN: 09340903

Sd/-

Beena Varun Koshiya

CFO

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

INDEPENDENT AUDITOR'S REPORT

To Quality RO Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Quality RO Industries Limited (hereinafter referred to as “the Company”), and its joint venture (together referred to as “the Group”) which comprise the balance sheet as at 31st March 2024, the statement of Profit and Loss, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

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 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the financial statements and our auditors’ 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.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the 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 decisions of users taken on the basis of these financial statements.

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its joint venture 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 Group to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of Joint Venture, whose financial statements reflect total assets of Rs. 826 Lakhs as at March 31, 2024, total revenues of Rs. 144.58 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these Joint Venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our and on the consideration of the reports of the other auditors on the Consolidated financial statements and other financial information of the Joint Venture, we report, to the extent applicable that.

As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
- c) The Consolidated Financial Statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and its Joint Venture incorporated in India and the reports of the statutory auditors of its Joint Venture incorporated in India, none of the directors of the Group companies and joint ventures are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting; and
- g) As required by 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, we report that no remuneration paid by the Company and its joint venture to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigation on Company for which disclosure is required.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred Investor Education and Protection Fund by the Company.
 - iv. Based on our examination, carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility.
- i) (a) The respective management of the Companies and its joint venture has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Companies and its joint venture has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

- j) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us, CARO report is not applicable to Joint venture. Hence, the reporting on adverse or any qualifications on CARO is not applicable.

For **Doshi Doshi & Co,**
Chartered Accountants
Firm Registration No.: 153683W

Sd/-

Chintan Doshi
Partner
Membership No.:158931
UDIN: 24158931BKAUGG5566

Place: Ahmedabad
Date: 25 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2024

Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Quality RO Industries Limited (hereinafter referred to as "the Company") for the year ended 31 March 2024.

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statement of the Company as of and for the Year ended March 31, 2024, we have audited the internal financial Control over financial reporting of Quality RO Industries Limited, as of that date.

Management Responsibility for Internal financial Controls

The Board of Directors of the Company, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 the respective 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 Act.

Auditor Responsibilities

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its joint venture, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the Company.

Doshi Doshi & Co

Chartered Accountants

707, Tapas Elegance,
H Colony, Ambawadi,
Ahmedabad – 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

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 consolidated 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 consolidated 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 and to the best of our information and according to the explanations given to us, the Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Doshi Doshi & Co**,
Chartered Accountants
Firm Registration No.: 153683W

Sd/-

Chintan Doshi
Partner
Membership No.:158931
UDIN: 24158931BKAUGG5566

Place: Ahmedabad
Date: 25 May 2024

QUALITY RO INDUSTRIES LIMITED
Consolidated Balance Sheet as at 31 Mar 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | Note No | As at 31 March 2024 | As at 31 March 2023 |
|--|---------|------------------------|------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Equity share capital | 3 | 255.00 | 255.00 |
| Reserves and surplus | 4 | 723.66 | 567.95 |
| | | 978.66 | 822.95 |
| Non Current Liabilities | | | |
| Long term Borrowings | | 108.03 | 120.57 |
| | | 108.03 | 120.57 |
| Current liabilities | | | |
| Short term Borrowings | | 98.60 | 120.06 |
| Trade payables | | | |
| - Total outstanding dues of micro and small enterprises | 5 | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | 5 | 252.30 | 47.70 |
| Other current liabilities | 6 | 65.42 | 5.99 |
| Short term provisions | | 36.18 | - |
| | | 452.49 | 173.74 |
| Total | | 1,539.18 | 1,117.27 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Tangible assets | 7 | 212.71 | 215.68 |
| Deferred Tax Assets | 8 | 7.56 | 7.23 |
| Long-term loans and advances | 9 | 3.58 | 10.48 |
| | | 223.86 | 233.39 |
| Current assets | | | |
| Inventories | 10 | 471.93 | 42.46 |
| Trade receivables | 11 | 319.67 | 162.97 |
| Cash and cash equivalents and other bank balance | 12 | 120.22 | 46.77 |
| Short-term loans and advances | 13 | 390.72 | 626.67 |
| Other current assets | 14 | 12.79 | 5.02 |
| | | 1,315.32 | 883.89 |
| Total | | 1,539.18 | 1,117.27 |

Notes 1 to 30 form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Doshi Doshi & Co
Chartered Accountants
Firm Registration No. 153683W

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

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

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

QUALITY RO INDUSTRIES LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 Mar 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | Note No | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|---------|-------------------------------------|-------------------------------------|
| Income (A) | | | |
| Revenue from operations | 15 | 1,322.18 | 552.05 |
| Other income | 16 | 14.00 | 6.52 |
| Total income | | 1,336.18 | 558.57 |
| Expenses (B) | | | |
| Cost of Material Consumed | 17 | 931.50 | 299.73 |
| Changes in Inventories | 18 | (17.89) | 16.55 |
| Employee benefits expense | 19 | 10.23 | 16.80 |
| Finance costs | 20 | 15.12 | 11.09 |
| Depreciation | 7 | 50.46 | 68.68 |
| Other expenses | 21 | 142.99 | 150.30 |
| Total expenses | | 1,132.41 | 563.15 |
| Profit before tax | | 203.76 | (4.58) |
| Tax expenses | | | |
| Current tax | | 48.40 | - |
| Mat Credit entitlement | | - | (1.62) |
| Deferred tax (credit) / charge | | (0.33) | (1.11) |
| Total tax expenses | | 48.07 | (2.73) |
| Profit / (Loss) for the year (A-B) | | 155.69 | (1.84) |
| Profit / (Loss) per equity share of face value of Rs. 10 each | | | |
| Basic (in Rs.) | 22 | 6.11 | (0.09) |

Notes 1 to 30 form an integral part of these financial statements.

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

For Doshi Doshi & Co
Chartered Accountants
Firm Registration No. 153683W

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

For and on behalf of the Board of Directors

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

QUALITY RO INDUSTRIES LIMITED

Consolidated Cash flow statement for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 203.77 | (4.58) |
| Depreciation | 50.46 | 68.68 |
| Interest Income | (1.45) | (7.22) |
| Finance Cost | 15.12 | 16.32 |
| Movements in working capital: | | |
| (Increase) in trade receivables | (156.70) | (126.33) |
| (Decrease)/Increase in trade payables | 204.61 | 35.52 |
| (Decrease)/increase in other current liabilities | 59.43 | 2.32 |
| (Increase) / Decrease in Inventories | (429.47) | 14.03 |
| Decrease/(Increase) in Long term Loans and advances | 2.50 | - |
| (Increase) in Short Term Loans and advances | (125.45) | (170.03) |
| Decrease/(Increase) in other current assets | (7.77) | 4.76 |
| Cash generated (used in)/from operations | (184.96) | (166.52) |
| Income tax paid | (7.83) | - |
| Net cash flow generated (used in) operating activities (A) | (192.78) | (166.52) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property plant & equipment and intangible asset | (47.50) | - |
| FD (bought) / redeemed | 361.40 | (411.40) |
| Investment bought | - | - |
| Interest received | 1.45 | 7.22 |
| Net cash flow (used in) investing activities (B) | 315.36 | (404.18) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issuing share Capital | - | 62.00 |
| Finance Cost | (15.12) | (16.32) |
| Borrowings repaid | (34.01) | 6.32 |
| Share Premium from fresh issue | - | 372.00 |
| Net cash flow used in financing activities (C) | (49.13) | 424.00 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 73.45 | (146.70) |
| Cash and cash equivalents at the beginning of the year | 46.77 | 193.47 |
| Cash and cash equivalents at the end of the year | 120.21 | 46.77 |

Notes

The cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 ('AS 3') on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006.

This is the cash flow statement referred to in our report of even date.

For Doshi Doshi & Co
Chartered Accountants
Firm Registration No. 153683W

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

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

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

QUALITY RO INDUSTRIES LIMITED

Notes to consolidated financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

3 Share capital

| Particulars | Numbers | As at 31 March 2024 | Numbers | As at 31 March 2023 |
|---------------------------------------|-----------|------------------------|-----------|------------------------|
| Authorised | | | | |
| Equity shares of Rs.10 each | 35,00,000 | 350.00 | 35,00,000 | 350.00 |
| | | 350.00 | | 350.00 |
| Issued, subscribed and paid up | | | | |
| Equity shares of Rs.10 each | 25,50,000 | 255.00 | 25,50,000 | 255.00 |
| Total | | 255.00 | | 255.00 |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

| | | | |
|---|--|------------------|------------------|
| Outstanding equity shares at the beginning of the year | | 25,50,000 | 19,30,000 |
| Add: Issue of equity shares during the year | | - | 6,20,000 |
| Add: Bonus issue of equity shares during the year | | - | - |
| Outstanding equity shares at the end of the year | | 25,50,000 | 25,50,000 |

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs, 10/- per shares each holder of equity shares is entitled to one vote per shares.

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

(c) Details of shares held by each shareholder holding more than 5% shares

| Equity shares of Rs. 10 each | Number | % Shareholding | Number | % Shareholding |
|------------------------------|-----------|----------------|-----------|----------------|
| Vivek Doliya | 11,58,000 | 45.41% | 11,58,000 | 45.41% |

As per records of the Company, including its register of members and other declaration received from share holders regarding beneficiary interest, the above share holding represents both legal and beneficial ownership of shares.

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately

| Particulars | Mar 31, 2024 Number | Mar 31, 2023 Number |
|---|------------------------|------------------------|
| Equity shares allotted as fully paid bonus shares by capitalization of reserves | - | - |

(f) Details of shareholding of promoters:

| Shares held by promoters at the end of the year | Mar 31, 2024 | Mar 31, 2024 | % change during the period / year |
|---|---------------|-------------------|-----------------------------------|
| Promoter name | No. of shares | % of total shares | |
| Vivek Doliya | 11,58,000 | 45.41% | 0.00% |
| Shares held by promoters at the end of the year | Mar 31, 2023 | Mar 31, 2023 | % change during the period / year |
| Promoter name | No. of shares | % of total shares | |
| Vivek Doliya | 11,58,000 | 45.41% | 4.70% |

4 Reserves and surplus

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Securities premium account | | |
| Opening Balance | 554.90 | 182.90 |
| Add:- Newly issued shares | - | 372.00 |
| Closing Balance | 554.90 | 554.90 |
| Surplus in the statement of profit and loss | | |
| Opening balance | 13.05 | 14.90 |
| Add: profit for the period / year | 155.69 | (1.84) |
| Surplus in statement of profit and loss | 168.75 | 13.05 |
| TOTAL | 723.65 | 567.95 |

QUALITY RO INDUSTRIES LIMITED

Notes to consolidated financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| 5 Long term Borrowings | | |
| Secured Loans | | |
| From Bank | - | 30.92 |
| Vehicle Loan | 107.94 | 89.22 |
| Unsecured Loans | | |
| From Director | 0.09 | 0.43 |
| | 108.03 | 120.57 |

Securities for term loans

a) Vehicle loan from bank is secured against vehicle.

Term of Repayment

a) Vehicle Loan from Kiestsu Saison Finance (India) Pvt Ltd of Rs. 20.00 lakhs repayable in 36 principal installments of Rs. 0.73 lakh starting from May 2023. Rate of Interest is 19% p.a.

b) Vehicle Loan from Kalapur Commercial Co-operative bank of 89.22 lakhs (PY:114.27 lakhs repayable in 60 installments of Rs. 2.68 lakhs Rate of Interest is 7% p.a.

c) Vehicle Loan from Kotak mahindra bank limited of 53.84 lakhs repayable in 36 installments of Rs. 1.85 lakhs.

| | | |
|-------------------------------------|--------------|---------------|
| 6 Short term Borrowing | | |
| Cash Credit | 47.47 | 95.01 |
| Current Maturity of long term loans | 51.13 | 25.05 |
| | 98.60 | 120.06 |

5 Trade payables

- Total outstanding dues of micro and small enterprises

- Total outstanding dues of creditors other than micro and small enterprises

| | |
|---------------|--------------|
| - | - |
| 252.30 | 47.70 |
| 252.30 | 47.70 |

Trade payables Ageing Schedule

As at 31 March 2024

| | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 251.87 | 0.43 | - | - | 252.30 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| | 251.87 | 0.43 | - | - | 252.30 |

As at 31 March 2023

| | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 47.70 | - | - | - | 47.70 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| | 47.70 | - | - | - | 47.70 |

6 Other current liabilities

| | | |
|------------------------|--------------|-------------|
| Statutory dues | 0.85 | 1.23 |
| Deposit payable | 1.96 | 1.96 |
| Accrued Interest | 0.57 | - |
| Advance from customers | 60.23 | - |
| Expense payable | 1.80 | 2.80 |
| | 65.42 | 5.99 |

7 Short term provisions

| | | |
|--|--------------|---|
| Provision for tax (Net of Advance tax) | 36.18 | - |
| | 36.18 | - |

QUALITY RO INDUSTRIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

7 Property, Plant and equipment

| Particulars | Factory Land | Factory Building | Office Equipments | Plant & Machinery | Vehicle - Truck | Vehicles | Total |
|------------------------------------|--------------|------------------|-------------------|-------------------|-----------------|----------|--------|
| Gross block | | | | | | | |
| Balance as at 31 March 2022 | 33.45 | 17.46 | 0.70 | 80.87 | 154.59 | 11.70 | 298.77 |
| Additions during the year | - | - | - | - | - | - | - |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2023 | 33.45 | 17.46 | 0.70 | 80.87 | 154.59 | 11.70 | 298.77 |
| Additions during the year | - | - | - | 0.50 | 46.99 | - | 47.50 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2024 | 33.45 | 17.46 | 0.70 | 81.37 | 201.58 | 11.70 | 346.27 |
| Depreciation and impairment | | | | | | | |
| Balance as at 31 March 2022 | - | 0.31 | 0.06 | 7.87 | 4.51 | 1.66 | 14.42 |
| Charge for the Year | - | 1.74 | 0.40 | 16.83 | 46.36 | 3.34 | 68.67 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2023 | - | 2.05 | 0.46 | 24.71 | 50.88 | 5.00 | 83.10 |
| Charge for the Year | - | 1.46 | 0.11 | 10.20 | 36.59 | 2.09 | 50.46 |
| Disposals during the year | - | - | - | - | - | - | - |
| Balance as at 31 March 2024 | - | 3.51 | 0.57 | 34.91 | 87.47 | 7.10 | 133.56 |
| Net Book Value | | | | | | | |
| As at 31 March 2024 | 33.45 | 13.95 | 0.13 | 46.46 | 114.11 | 4.61 | 212.71 |
| As at 31 March 2023 | 33.45 | 15.42 | 0.24 | 56.16 | 103.71 | 6.70 | 215.68 |
| As at 31 March 2022 | 33.45 | 17.15 | 0.64 | 73.00 | 150.07 | 10.04 | 284.35 |

8 Deferred tax liabilities (Net) / (Deferred tax Assests (Net))

| Particulars | As at 31 March 2024 | Charge / (credit) for the current reporting year | As at 31 March 2023 |
|---|-------------------------|---|-------------------------|
| Deferred Tax Liabilities | | | |
| Depreciation | (7.44) | (0.21) | (7.23) |
| | <u>(7.44)</u> | <u>(0.21)</u> | <u>(7.23)</u> |
| Deferred Tax Assets | | | |
| Net Deferred Tax Liabilities / (assets) | <u>(7.44)</u> | <u>(0.21)</u> | <u>(7.23)</u> |
| Particulars | | | |
| | As at March 31, 2023 | Charge / (credit) for the previous reporting year | As at March 31, 2022 |
| Deferred Tax Liabilities | | | |
| Depreciation | (7.23) | (1.11) | (6.12) |
| | <u>(7.23)</u> | <u>(1.11)</u> | <u>(6.12)</u> |
| Deferred Tax Assets | | | |
| Net Deferred Tax Liabilities / (assets) | <u>(7.23)</u> | <u>(1.11)</u> | <u>(6.12)</u> |

QUALITY RO INDUSTRIES LIMITED
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| 9 Long term loans and advances (Unsecured considered good unless otherwise stated) | | |
| Security deposit | 3.58 | 6.09 |
| Advance Tax (Net of Provision for Tax) | 0.00 | 4.39 |
| | 3.58 | 10.48 |
| 10 Inventories | | |
| Stock at end- Raw Material | 32.75 | 26.51 |
| Stock at end- Work in progress | 405.34 | |
| Stock at end- Finished Goods | 33.84 | 15.95 |
| | 471.93 | 42.46 |
| 11 Trade receivables (Unsecured, considered good unless otherwise stated) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| - Considered good | 2.17 | 15.61 |
| - Considered doubtful | - | - |
| | - | - |
| Less: Provision for doubtful debts | - | - |
| | 2.17 | 15.61 |
| Other receivables | | |
| - Considered good | 317.51 | 147.36 |
| Total | 319.67 | 162.97 |

Trade receivables Ageing Schedule

As at 31 March 2024

| | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 317.51 | | 2.17 | - | - | 319.67 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| Total | - | - | - | - | - | 319.67 |

As at 31 March 2023

| | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 147.36 | | 8.48 | 7.13 | - | 162.97 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| Total | - | - | - | 7.13 | - | 162.97 |

12 Cash and cash equivalents and other bank balance

| | | |
|---------------------|---------------|--------------|
| In current accounts | 54.96 | 18.30 |
| Cash in hand | 65.25 | 28.47 |
| | 120.22 | 46.77 |

13 Short term loans and advances

(Unsecured considered good unless otherwise stated)

| | | |
|---|---------------|---------------|
| Balance from Government Authorities | 16.84 | 45.37 |
| Fixed Deposits with Banks (maturing between 3 to 12 months) | 50.00 | 411.40 |
| Advances given | - | 169.90 |
| Vendor Advances | 323.88 | - |
| | 390.72 | 626.67 |

14 Other current assets

| | | |
|----------------------|--------------|-------------|
| Prepaid Expense | - | 2.81 |
| Interest receivables | 12.79 | 2.21 |
| | 12.79 | 5.02 |

QUALITY RO INDUSTRIES LIMITED

Notes to consolidated financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| 15 Revenue from operations | | |
| Sale of products | 529.78 | 201.78 |
| Sale of Services | 792.41 | 350.26 |
| | 1,322.18 | 552.05 |
| 16 Other income | | |
| Interest Income | 12.55 | 6.43 |
| Other income | 1.45 | 0.09 |
| | 14.00 | 6.52 |
| 17 Cost of Material Consumed | | |
| Opening Stock of Raw Material | 26.51 | 23.99 |
| Purchases | 311.61 | 215.52 |
| Expenses pertaining to transport services | 506.52 | 86.72 |
| Expenses pertaining to Realtor services | 524.95 | |
| Closing Stock of Raw Material | (438.09) | (26.51) |
| | 931.50 | 299.73 |
| 18 Changes in Inventories | | |
| Closing Stock of Finished goods | (33.84) | (15.95) |
| Opening Stock of Finished goods | 15.95 | 32.50 |
| | (17.89) | 16.55 |
| 19 Employee benefits expense | | |
| Salary and Wages | 3.03 | 3.60 |
| Director Remuneration | 7.20 | 13.20 |
| | 10.23 | 16.80 |
| 20 Finance costs | | |
| Interest expense | 12.61 | 11.09 |
| Other borrowing cost | 2.51 | - |
| | 15.12 | 11.09 |
| 21 Other expenses | | |
| Rent expenses | 2.25 | 3.00 |
| Power and Fuel | 104.97 | 131.94 |
| Insurance | 6.32 | 0.28 |
| Repair and maintenance - others | 0.32 | 3.15 |
| Payments to auditor (refer details below) | 1.80 | 1.50 |
| Director Sitting fees | 0.30 | 0.38 |
| Bank Charges | 2.40 | 4.07 |
| Legal and Professional | 9.85 | 2.46 |
| Rates and taxes | 6.10 | 2.75 |
| Miscellaneous Expense | 8.67 | 0.78 |
| | 142.99 | 150.30 |
| Payment to auditor | | |
| Audit fee | 1.80 | 1.50 |
| Reimbursement of expenses | - | - |
| Total | 1.80 | 1.50 |
| 22 Profit / (Loss) per Equity share | | |
| Net profit / (loss) attributable to equity shareholders (A) | 1,55,69,124 | (1,84,407) |
| Nominal value per equity share | 10 | 10 |
| Weighted average number of equity shares outstanding during the year (B) | 25,50,000 | 19,93,000 |
| Basic profit / (loss) per equity share in rupees of face value of INR 10 (A)/(B) | 6.11 | (0.09) |

23. Consolidated Segment reporting

A) Primary Segment

| Particulars | RO Products | | Transport income | | Realty Sector | | Others (Unallocated) | | Total | |
|--|---------------|---------------|------------------|---------------|---------------|----------|----------------------|-----------------|-----------------|-----------------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Revenue | | | | | | | | | | |
| External Sales | 395.34 | 201.78 | 782.26 | 350.26 | 144.58 | - | - | - | 1,322.18 | 552.05 |
| Inter segment sales | - | - | - | - | - | - | - | - | - | - |
| Eliminations | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 395.34 | 201.78 | 782.26 | 350.26 | 144.58 | - | - | - | 1,322.18 | 552.05 |
| Result | | | | | | | | | | |
| Segment result | - | - | - | - | 18.45 | - | 186.45 | 10.20 | 204.90 | 10.20 |
| Interest Expenses | - | - | - | - | 10.08 | - | 5.04 | 11.09 | 15.12 | 11.09 |
| Other income | - | - | - | - | - | - | 14.00 | - | 14.00 | - |
| Profit from ordinary activities | - | - | - | - | 8.37 | - | 195.41 | 0.89 | 203.76 | 0.89 |
| Tax expense | - | - | - | - | - | - | 48.07 | 2.73 | 48.07 | 2.73 |
| Net Profit | - | - | - | - | 8.37 | - | 147.34 | 1.84 | 155.69 | 1.84 |
| Other Information | | | | | | | | | | |
| Segment assets | - | - | - | - | 826.00 | - | 713.18 | 1,117.27 | 1,539.18 | 1,117.27 |
| Total assets | - | - | - | - | 826.00 | - | 713.18 | 1,117.27 | 1,539.18 | 1,117.27 |
| Segment liabilities | - | - | - | - | 308.00 | - | 252.52 | 294.32 | 560.52 | 294.32 |
| Total Liabilities | - | - | - | - | 308.00 | - | 252.52 | 294.32 | 560.52 | 294.32 |
| Capital Expenditure | - | - | - | - | 0.50 | - | 46.99 | - | 47.50 | - |
| Depreciation | - | - | - | - | 0.04 | - | 50.42 | 68.67 | 50.46 | 68.67 |
| Non-Cash expenses other than depreciation | - | - | - | - | - | - | - | - | - | - |

B) SECONDARY SEGMENT : There is only one geographic segment namely, India.

C) OTHER DISCLOSURES:

i) Segment have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.

ii) Types of business segment are:

- RO Products
- Transport income
- Realty Sector
- Others (unallocated) include: Commission, Goods transport services, Other revenue

iii) The segment revenues, results, assets and liabilities include the respective amount identifiable to each of the segment and amount allocated on a reasonable basis.

24 Related party disclosure as required by Accounting standard (AS)-18 "Related Party Disclosures"

i) Related parties where control exists

Key Management Personnel

Vivek Dholiya

iii) Related party transactions and outstanding balances

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial year and the outstanding balances as at Mar 31, 2024

| Particulars | Year ended/ As at | Loan Taken | Loan Repaid | Director Remuneration | Sale of Products | Purchases | Prepaid expenses | Amount receivable from related parties | Amount payable to related parties |
|---------------------------------|-------------------|------------|-------------|-----------------------|------------------|-----------|------------------|--|-----------------------------------|
| Key Management Personnel | | | | | | | | | |
| Damini Dholiya | 31-Mar-24 | | | 1.20 | | | | | |
| | 31-Mar-23 | | | 1.20 | | | | | |
| Vivek Dholiya | 31-Mar-24 | 47.10 | 47.45 | 6.00 | - | - | - | - | 0.09 |
| | 31-Mar-23 | 35.66 | 36.50 | 12.00 | - | - | - | - | 0.43 |
| Sister Concerns | | | | | | | | | |
| Jay Ambe Trading Co. | 31-Mar-24 | - | - | - | - | 158.84 | - | - | - |
| | 31-Mar-23 | - | - | - | - | 89.38 | - | - | 30.01 |
| Jay Ambe Transport | 31-Mar-24 | - | - | - | - | 210.74 | 95.00 | - | - |
| | 31-Mar-23 | - | - | - | 11.05 | - | - | 4.26 | - |

25 Additional Notes

- (A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (B) The Company does not have any investment property.
- (C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- (D) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2024:
- (i) repayable on demand; or,
- (ii) without specifying any terms or period of repayment.
- (E) The company is not declared willful defaulter by any bank or financial institution or other lender.
- (F) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (G) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (H) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (I) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (J) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- (K) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (L) The Provision of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are not applicable to the Company during the year and hence reporting under this clause is not applicable.

| 26 Earnings in foreign currency | As at31 March 2024 | As at31 March 2023 |
|--|---------------------------|---------------------------|
| Sale of products | - | - |
| | - | - |
| 27 Expenditure in foreign currency | As at31 March 2024 | As at31 March 2023 |
| Cost of purchase | - | - |
| | - | - |
| 28 CIF value of Imports | As at31 March 2024 | As at31 March 2023 |
| CIF value of Import for component & spares | - | - |
| | - | - |

29 Capital commitment and contingent liabilities

a) Capital commitment

There are no capital commitment outstanding as at reporting date (as at March 31, 2023: Nil).

b) Contingent liabilities

There are no contingent liabilities

QUALITY RO INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2024

(All amounts in Lakh Indian Rupee except otherwise stated)

30 Ratio analysis and its elements

| Ratio | As at 31 March 2024 | As at 31 March 2023 | % Change | Reasons |
|---------------------------------|------------------------|------------------------|----------|-------------------------------------|
| Current ratio | 2.9 | 5.1 | -43% | Lower debts in FY 2024 |
| Debt- Equity Ratio | 21% | 29% | -28% | Lower debts in FY 2024 |
| Debt Service Coverage ratio | (4) | (7) | -37% | Lower debts in FY 2024 |
| Return on Equity ratio | 0.17 | (0.00) | -3957% | Higher operations profit in FY 2024 |
| Inventory Turnover ratio | 3.28 | 14.90 | -78% | Higher operations in FY 2024 |
| Trade Receivable Turnover Ratio | 5.48 | 6.77 | -19% | Less than +/- 25% |
| Trade Payable Turnover Ratio | (2.92) | (1.11) | 163% | Higher operations in FY 2024 |
| Net Capital Turnover Ratio | 1.53 | 0.78 | 97% | Higher operations in FY 2024 |
| Net Profit ratio | 0.12 | (0.00) | -3625% | Higher operations profit in FY 2024 |
| Return on Capital Employed | 0.22 | 0.01 | 2725% | Higher operations profit in FY 2024 |
| Return on Investment | 0.25 | 0.02 | 1506% | FD redeemed in FY 2024 |

Numerator / Denominator

| Ratio | Numerator | Denominator |
|---------------------------------|---|---|
| Current ratio | Current Assets | Current Liabilities |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating e | Debt service = Interest & Lease Payments + Principal Repayments |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Lia |
| Return on Investment | Interest (Finance Income) | Investment |

For Doshi Doshi & Co

Chartered Accountants

Firm Registration No. 153683W

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

Sd/-

Chintan Doshi
Partner
Membership No. : 158931

Place : Ahmedabad
Date : May 25, 2024

Sd/-

Vivek Dholiya
Managing Director
DIN: 09340902

Sd/-

Varsha Khaitan
Company Secretary
Membership No. :42836
Place : Vadodara
Date : May 25, 2024

Sd/-

Damini Dholiya
Whole Time Director
DIN: 09340903

Sd/-

Beena Varun Koshiya
CFO

Route Map of the venue of 3rd Annual General Meeting of Company scheduled on Friday, September 27, 2024 at Plot No. 09, Por Industrial Park, NH 08 Behind Sahayog Hotel, Village Por, Vadodara, Vadodara, Gujarat, India, 391243 at 01:00 PM:

