

**KIRLOSKAR CORROCOAT
PRIVATE LIMITED**



Engineered Efficiency Beyond the Surface

ANNUAL REPORT
2023-2024



Annual Report for the financial year ended on 31st March 2024

BOARD OF DIRECTORS

Mr. Alok S. Kirloskar	(DIN 05324745) – Chairman
Mr. Clive A. Harper	(DIN 06700160) – Director
Mr. Chittaranjan M. Mate	(DIN 07399559) – Director

AUDITORS

P G BHAGWAT LLP
C.S. No. 221, B-1, E Ward II
Rajhans Apartment, 2nd Floor
Flat No. S-6, Opposite D Mart
Tarabai Park, Kolhapur 416003

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Udyog Bhavan, Tilak Road,
Pune - 411 002, INDIA.
Tel: +91 (20) 2444 0770
E-mail: enquiry@kicopl.com

PLANT

Kirloskarvadi - 416 308
Dist. Sangli, Maharashtra,
INDIA

Information for shareholders		Contents	Page No.
18th Annual General Meeting		Notice	02
Day & date	: Wednesday, 15 th May, 2024	Board Report	04
Time	: 11.00 A.M.	Auditors' Report	08
Venue	: Kirloskar Brothers Limited, 'Yamuna', S.No. 98 (3-7), Baner, Pune 411 045	Balance Sheet	16
		Profit and Loss Account	17
		Cash Flow Statement	18
		Notes to the Accounts	20

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of Kirloskar Corrocoat Private Limited will be held at 11.00 a.m. on Wednesday, the 15th day of May, 2024 at Kirloskar Brothers Limited, 'Yamuna', S. No. 98 (3-7), Baner, Pune 411045 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at March 31, 2024, Board's Report and the Auditors' Report thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2023-24.
3. To appoint a Director in place of Mr. Alok Kirloskar (DIN: 05324745), who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors

For KIRLOSKAR CORROCOAT PRIVATE LIMITED

Alok Kirloskar

Chairman

DIN 05324745

Date : 18 April 2024

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder. The instrument of proxy duly filled, stamped and signed should be lodged at the Registered Office of the Company not less than 48 (Forty-Eight) hours before the commencement of Annual General Meeting. Every Member entitled to vote at this meeting shall be entitled during the period beginning 24 (Twenty-Four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the Proxies lodged, at any time during the business hours of the Company, provided not less than 3 (Three) days written notice is given to the Company before the commencement of the meeting. The proxy holder shall bring his/her id-proof for the purpose of identification at the time of attending the meeting.

2. Details of Director pursuant to Secretarial Standards on General Meetings (SS-2) are annexed herewith.

Details of Director retiring by rotation as required under Secretarial Standards (SS-2)

Item No. 3

Mr. Alok S. Kirloskar (DIN: 05324745), aged 40, is a Non-Executive Chairman of the Company. He has been a Director of the Company with effect from May 26, 2016. He retires by rotation and being eligible, offered himself for re-appointment. The appointment is without any remuneration (except payment of sitting fees) and no remuneration has been drawn by him in the past.

He has done his Bachelor of Science in Business Administration with concentration in Finance from Carnegie Mellon University, Pittsburgh, PA, USA. He had the honor to be on the Dean's list for his academic excellence throughout the course.

Mr. Alok Kirloskar is a Non-Executive Director on the Board of Kirloskar Brothers Limited (KBL). He has been associated with KBL from September, 2007. He was first entrusted with responsibilities of international marketing business and he acquainted himself with the functioning of various departments / sectors. Later, he was head of the Industry sector of KBL, before he became the Director.

Before joining KBL, he worked with Sonasoft Corporation (Microsoft GPC) at San Jose, California, USA, as Business Development Manager. He had also interned at Nasa Girvan Institute of Technology, Santa Clara, USA, and Toyota Motor Corporation, Torrance, USA in the summers of 2003 and 2004.

Mr. Alok Kirloskar, is presently Managing Director – SPP Pumps Limited, Britain's leading pump manufacturer and a subsidiary of KBL. He is also the Managing Director of Kirloskar Brothers International B.V. (KBI B.V). KBI B.V. is the holding company for the international business of KBL. Mr. Alok Kirloskar is also a Director of SPP International (Pty.) Limited, SPP Pumps Inc, Micawber 784 (Proprietary) Limited, Braybar Pumps (Proprietary) Limited, Syncroflo Inc., SPP Pumps (MENA) LLC, SPP Pumps Real Estate LLC, Rodelta Pumps International B.V., Rotaserve B.V., SPP Pumps (South Africa) (Pty.) Limited, SPP Pumps (Asia) Limited which are subsidiaries of KBI B.V. He is also the Chairman of Kirloskar Pompen B.V. and Kirloskar Brothers (Thailand) Limited. He is also a member of the Stakeholders' Relationship Committee of KBL.

He holds 10 equity shares of the Company as joint holder with KBL. He attended 6 (Six) Board meetings of the Company held during the year 2023-24.

The Board recommends his re-appointment as Director, liable to retire by rotation and passing of this resolution as an Ordinary Resolution. None of the Directors of the Company, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution except the director himself.

By order of the Board of Directors

For KIRLOSKAR CORROCOAT PRIVATE LIMITED

Alok Kirloskar

Chairman

DIN 05324745

Date: 18 April 2024

BOARD'S REPORT

The Members of the Company,

Your Directors present the 18th Annual Report and Audited Accounts of the Company for the year ended March 31, 2024.

1. FINANCIAL PERFORMANCE

The financial results of the Company for the year 2023-24 as compared with the previous year are as under-
(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	4,053.65	3,529.36
Other Income	58.40	14.26
Total Income	4,112.05	3,543.62
Profit (Loss) Before Tax	609.68	309.67
Tax Expenses	150.49	56.27
Profit (Loss) for the period	459.19	253.40
Total Comprehensive Income for the period	456.33	244.37

2. DIVIDEND AND RESERVES:

The Directors of the Company have recommended dividend @ 6 % on Paid up Equity Share Capital (i.e. 60 Paise or Re.0.60 on every Equity Share of Rs. 10 each) for the year ended on March 31, 2024.

No amount is proposed to be transferred to Reserve.

3. STATEMENT OF AFFAIRS:

There was quantum improvement in the performance of the Company as compared to the previous year. The Company has achieved turnover of Rs. 4053.65 Lakhs for the year 2023-24, an increase of 14% as compared to previous year.

Healthy order board in projects at the beginning of the year has helped achieving the desired topline. Moreover, cost control & optimisation initiatives have significantly improved the bottom-line.

Our trusted customers have continued their belief in our coating performance & consistency.

The Company's material cost is susceptible to continuous rise in raw material prices, their availability and logistics and the Company has adopted various strategies to manage them and reduce their adverse impact.

STATUTORY DISCLOSURES**4. ANNUAL RETURN:**

The Annual Return referred to in sub-section (3) of Section 92 of the Companies Act, 2013 has been placed on the website of the Company at https://www.kicopl.com/company_profile.

5. BOARD MEETINGS:

Six Board Meetings were held during the year on: April 18, 2023, June 14, 2023, July 12, 2023, August 07, 2023, October 16, 2023 and January 17, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) 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.

7. AUDITORS & AUDITORS' REPORT:

M/s. P. G. Bhagwat LLP, Chartered Accountants, (FRN: 101118W / W100682) were appointed as Statutory Auditors of the Company in the 15th Annual General Meeting for a period of 5 years.

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditors in their Report.

During the year under review, there were no frauds reported by Auditors under Section 143 (12) of the Companies Act, 2013.

Requirement of secretarial audit report is not applicable to the Company.

8. MAINTENANCE OF COST RECORDS:

The Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, during the period under review.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186: Nil

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Disclosure relating to the particulars of contract or arrangement with related parties referred in sub-section (1) of Section 188 in Form AOC-2 including certain arm's length transactions under third proviso thereto:

- i. Details of contracts or arrangements or transactions not at arm's length basis: All transactions with related parties were in the ordinary course of business and on arm's length basis.
- ii. Details of material contracts or arrangement or transactions at arm's length basis:

A	Name(s) of the related party and nature of relationship	Kirloskar Brothers Limited, Holding Company
B	Nature of contracts / arrangements / transactions	Rendering of services
C	Duration of the contracts / arrangements / transactions	Ongoing throughout the year
D	Salient terms of the contracts or arrangements or transactions including the value, if any	As per purchase order / invoices. The amount is mentioned under related party transaction which is appearing elsewhere in the Annual Report.
E	Date(s) of approval by the Board, if any	As all the transactions are in ordinary course of business and at arm's length, Board approval is not required.
F	Amount paid as advances, if any	Nil

11. There were no material changes or commitments to report which affect the financial position of the Company that has occurred between the end of Financial Year and the date of this report other than stated hereinbefore.

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

(A) Conservation of energy:

The Company has continued to revamp its internal processes and has taken various measures to conserve energy and reduce costs. The Company introduced and fixed Power Factor System to maintain power factor as per requirement.

(i) Steps taken or impact on conservation of energy:

Following steps taken in Financial Year 2023-24 apart from continuing with the measures taken in previous years for conservation of energy:

- At Application Shop, complete blasting chamber revamping taken in hand to reduce power consumption by introducing new technology.
- All existing Office Air Conditioners are replaced with new 5-star rating Air Conditioners.
- Power saving at customer end through efficiency improvement coating is 1,352 KW in Financial Year 2023-24.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

From last 9-10 years, solar panel system utilized for one streetlight. Scouting for Solar Power generation is under progress.

(iii) The capital investment on energy conservation equipment: NIL**(B) Technology absorption:**

- i. The efforts made towards technology absorption: NIL
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: NA
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
NA

a.	Details of technology imported	:	NA
b.	Year of import	:	NA
c.	Whether technology been fully absorbed	:	NA
b.	If not fully absorbed, areas where absorption has not taken place and reasons thereof	:	NA

- iv. The expenditure incurred on Research and Development: NIL

(C) Foreign Exchange Earnings and Outgo:

(Rs.)

Foreign Exchange earned in terms of actual inflows during the year	4,27,336.00
Foreign Exchange outgo during the year in terms of actual outflows	3,51,11,370.56

13. Statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company:

Risk Management Policy is in place for identification of risks, analysis thereof and monitoring the action plan for mitigating the risks. The Board reviews the risks during the Board meetings. As per the opinion of the Board, there are no elements of risks which may threaten the existence of the Company.

14. There has been no change in the nature of the business during the year under review.

15. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Alok Kirloskar (DIN 05324745) being eligible for retirement by rotation, has offered himself for re-appointment. The same has been included in the Notice convening Annual General Meeting.

During the year, Mr. Graham Greenwood-Sole (DIN 07317840), who was appointed as Alternate Director to Mr. Clive Harper (DIN 06700160) on November 5, 2019 ceased automatically on arrival of Mr. Harper in India on April 17, 2023.

Provisions of the Companies Act, 2013 related to formal annual evaluation of the Board, Directors and its Committees, appointment of independent directors and constitution of Nomination and Remuneration Committee are not applicable to the Company.

16. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder were not applicable to the Company for the year.

17. HOLDING COMPANY:

Kirloskar Brothers Limited is the holding company.

18. CASH FLOW:

A cash flow statement for the year ended March 31, 2024 is attached to the Balance Sheet.

19. DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 2(31) of the Companies Act, 2013 and Rules made thereunder. Hence, there are no details relating to deposits covered under Chapter V of the Companies Act, 2013.

20. Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year: Nil. The Company does not have any subsidiaries, joint ventures or associate companies.

- 21. Particulars of Employees:** The information as prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company, being an unlisted company.
- 22.** No significant or material orders were passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- 23.** The Secretarial Standards issued by The Institute of Company Secretaries of India pursuant to Section 118(10) of the Companies Act, 2013, have been duly complied.
- 24. Details in respect of adequacy of internal financial controls with reference to financial statements:**

The Company has adequate internal financial controls in place operating effectively during the year. The controls are reviewed by the Auditors of the Company every year.

- 25. Disclosure under the "Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013":**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which has been constituted by the Company.

In terms of Section 22 of that Act read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the report for the year ended March 31, 2024:

No. of complaints received in the year	0
No. of complaints disposed of in the year	NA
Cases pending for more than 90 days	0
No. of workshops and awareness programs conducted in the year	0
Nature of action by employer or District Collector, if any	NA

- 26.** There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company during the year.
- 27.** The 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: NA

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the unstinted support and co-operation given by Banks. Your Directors would further like to record their appreciation of the efforts of every employee for the results achieved during the year.

For and on behalf of the Board of Directors

Alok Kirloskar

Chairman

DIN 05324745

Date: 18 April 2024

INDEPENDENT AUDITORS REPORT

To the Members of

KIRLOSKAR CORROCOAT PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Kirloskar Corrocoat Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements")

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the Financial Statements and our auditor's 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 in the audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is 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 the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion and according to information and explanation provided to us, section 197 is not applicable to the company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 27 to the Financial Statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2024.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (vi)(a) and (vi)(b) above contain any material misstatement.
- (v) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Audit trail has not been enabled at database level for accounting software.

The Company uses services of third-party service provider for payroll processing and in absence of Service Organisation Control Type 2 report, specifically covering the maintenance of audit trail, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there are any instances of the audit trail feature being tampered with. – Refer note 43B to the financial statements.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Akshay B. Kotkar

Partner

Membership No. 140581

UDIN –24140581BKDFC11406

Place – Kolhapur

Date – 18th April, 2024

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) The Property, Plant & Equipment are physically verified by the Management in accordance to the policy designed by the company wherein, it should be verified internally every year and from external agency once in three years, in our opinion, the policy is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, entire Property, Plant & Equipment has been physically verified internally by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) 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), as disclosed in Note(3) on Property, Plant & Equipment to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. [In respect of inventory lying with third parties, these have substantially been confirmed by them.] In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory by management as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of accounts.
- (b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
- iii. The company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under Clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f), of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.

- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.
- (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 company has utilized the money obtained by way of term loans during the year 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, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.'
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- xiv. (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) The company did not have an internal audit system for the period under audit. Hence reporting under clause 3(xiv)(b) is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore reporting under clause 3(xvi)(b) of the order is not applicable.

- (c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) Based on information and explanation given to us and as represented by the management, the Group does not have [any] / [more than one] Core Investment Company (CIC) as part of the Group.
- (xvii) The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- (xviii) There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Akshay B. Kotkar

Partner

Membership No. 140581

UDIN: 24140581BKDFCI1406

Place – Kolhapur

Date – 18th April, 2024

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements"
of our report on even date:

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with reference to the Financial Statements

A company's internal financial controls with reference to the 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 controls with reference to the Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the 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, the Company has in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Akshay B. Kotkar

Partner

Membership No. 140581

UDIN: 24140581BKDFCI1406

Place – Kolhapur

Date – 18th April, 2024

Balance Sheet as at 31 March 2024

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	532.19	511.19
Capital work-in-progress		-	-
Other Intangible assets	3	-	-
Intangible assets under development	3	-	-
Financial Assets			
Trade receivables	5	11.20	3.91
Others	6	14.61	14.07
Deferred tax assets (net)	7	23.06	36.15
Other non-current assets	8	4.94	30.22
Total non-current assets		586.00	595.54
Current assets			
Inventories	9	488.53	487.42
Financial Assets			
Investments	4	254.25	-
Trade receivables	5	777.23	869.72
Cash and cash equivalents	10A	211.71	0.83
Other bank balances	10B	-	0.40
Others	6	20.16	20.47
Current Tax Assets (net)		-	-
Other current assets	8	68.98	106.30
Total current assets		1,820.86	1,485.14
TOTAL ASSETS		2,406.86	2,080.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	500.00	500.00
Other equity	12	983.43	527.10
Total equity		1,483.43	1,027.10
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	18.13	42.87
Lease Liability		-	-
Trade payables -	14		
- Dues of micro enterprises & small enterprises		1.38	1.38
- Others		39.47	25.33
Other financial liabilities		-	-
Provisions	17	27.07	28.80
Total non-current liabilities		86.05	98.38
Current liabilities			
Financial liabilities			
Borrowings	13	18.27	320.65
Lease Liability		-	-
Trade payables	14		
- Dues of micro enterprises & small enterprises		53.80	30.02
- Others		446.86	400.96
Other financial liabilities	15	92.99	94.98
Other Current liabilities	16	175.16	58.94
Provisions	17	33.10	40.38
Current tax liabilities (net)	18	17.20	9.27
Total current liabilities		837.38	955.20
Total liabilities		923.43	1,053.58
TOTAL EQUITY AND LIABILITIES		2,406.86	2,080.68

Corporate information

Summary of significant accounting policies

The notes referred to above and the accompanying notes form an integral part of the financial statements

As per our report of even date attached

 For **P G BHAGWAT LLP**

Chartered Accountants

Firm Reg. No.101118W/W100682

Akshay B. Kotkar

Partner

Membership No.: 140581

UDIN: 24140581BKDFC1406

For and on behalf of the Board of Directors
A.S. Kirloskar

Chairman

DIN: 05324745

C.A. Harper

Director

DIN: 06700160

C.M. Mate

Director

DIN: 07399559

18 April 2024

18 April 2024

Statement of Profit and Loss for the Year Ended 31 March 2024

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	Year Ended 31/03/2024	Year Ended 31/03/2023
Revenue from Operations	19	4,053.65	3,529.36
Other Income	20	58.40	14.26
Total Income		4,112.05	3,543.62
Expenses			
Cost of materials consumed	21	1,057.62	941.33
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods	21	38.93	(28.69)
Employee benefits expense	22	413.18	340.19
Finance costs	23	39.18	58.76
Depreciation and amortization expense	24	53.36	56.57
Other expenses	25	1,900.10	1,865.80
Total expenses		3,502.37	3,233.95
Profit/(loss) before exceptional items and tax		609.68	309.67
Exceptional items		-	-
Profit / (loss) before tax		609.68	309.67
Tax expenses			
(1) Current tax		162.00	63.00
(2) Deferred tax	6	14.04	(6.73)
(3) Short provision of earlier years		(25.55)	-
(4) MAT Credit Entitlement		-	-
Total Tax expenses		150.49	56.27
Profit (Loss) for the period from continuing operations		459.19	253.40
Profit/(loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit/(loss) from discontinued operations (after tax)		-	-
Profit/(loss) for the period		459.19	253.40
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	26	(3.82)	(12.06)
Income tax relating to items that will not be reclassified to profit or loss		0.96	3.03
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		456.33	244.37
Earnings per equity share			
(1) Basic	30	9.18	5.07
(2) Diluted	30	9.18	5.07

Corporate information

Summary of significant accounting policies

The notes referred to above and the accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Reg. No.101118W/W100682

Akshay B. Kotkar

Partner

Membership No.: 140581

UDIN: 24140581BKDFCI1406

18 April 2024

1

2

The notes referred to above and the accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

A.S. Kirloskar

Chairman

DIN: 05324745

C.A. Harper

Director

DIN: 06700160

C.M. Mate

Director

DIN: 07399559

18 April 2024

Cashflow statement for the year ended 31 March 2024

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	2023-2024	2022-2023
Cashflows from Operating Activities		
Net Profit before taxation and extraordinary items	609.68	309.67
Adjustments for :-		-
Depreciation / Amortization	53.36	56.57
Loss on sale of Fixed Assets	0.62	-
Profit on sale of Fixed Assets	(1.30)	-
Provision no longer required written back	(10.84)	1.83
Provision for doubtful debts, advances and claims	18.80	25.16
Bad debts	7.41	2.38
Unrealised gain valuation of Investment	(4.25)	-
Unwinding of discount & effect of changes in discount rate on retention money	(4.24)	
Interest Income	(4.68)	(11.02)
Interest Expenses	39.18	58.76
Operating Profit Before Working capital changes	703.74	443.34
Adjustments for :-		
(Increase)/ decrease in inventories	(1.11)	(71.08)
(Increase)/ decrease in trade receivables	58.99	19.87
(Increase)/ decrease in financial assets	(0.38)	(1.42)
(Increase)/ decrease in non-financial assets	37.92	(30.36)
Increase/ (decrease) in trade payable	88.06	(135.81)
Increase/ (decrease) in financial liabilities	0.68	23.03
Increase/ (decrease) in non-financial liabilities	116.22	(64.04)
Increase/ (decrease) in provisions	(1.99)	2.47
Cash Generated from Operations	1,002.13	186.00
Income Tax (Paid) / Refunded	(103.84)	0.41
Net Cash from Operating Activities	898.29	186.41
Cashflows from Investing Activities		
Purchase of Fixed Assets	(75.09)	(23.07)
Sale of Fixed Assets	1.42	-
Interest Received	5.23	10.62
Investments in Mutual Funds	(250.00)	
Net Cash from Investment Activities	(318.44)	(12.45)
Cash Flows from Financing Activities		
Proceeds/(Repayment) from borrowing	(327.12)	(118.15)
Interest Paid	(41.85)	(56.22)
Dividend Paid including tax on dividend	-	-
Net Cash used in Financing Activities	(368.97)	(174.37)
CSR Spend	-	-
Net Increase in Cash and Cash Equivalents	210.88	(0.41)
Cash & Cash Equivalents at beginning of period (refer note 10)	0.83	1.24
Sub Total	211.71	0.83
Cash & Cash Equivalents at end of period (refer note 10)	211.71	0.83

Note :- 1. Previous year's figures are regrouped wherever necessary to make them comparable with the current year.
2. Cash flow is prepared using indirect method.

As per our report of even date attached
For **P G BHAGWAT LLP**
Chartered Accountants
Firm Reg. No.101118W/W100682

Akshay B. Kotkar
Partner
Membership No.: 140581
UDIN: 24140581BKDFCI1406

For and on behalf of the Board of Directors

A.S. Kirloskar
Chairman
DIN: 05324745

C.A. Harper
Director
DIN: 06700160

C.M. Mate
Director
DIN: 07399559

18 April 2024

18 April 2024

Statement of Changes in Equity for the period ended 31 March 2024

(Amounts in Rs. Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
500.00	-	500.00
Balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
500.00	-	500.00

B. Other Equity

Particular	Reserves and Surplus		Total
	General reserve	Retained Earnings	
Balance as at 1 April 2022	325.53	(42.80)	282.73
Profit for the year	-	244.37	244.37
Other comprehensive income	-	-	-
Balance as at 31 March 2023	325.53	201.57	527.10
Profit for the year	-	456.33	456.33
Other comprehensive income	-	-	-
Less: Final dividend paid including tax		-	-
Balance as at 31 March 2024	325.53	657.90	983.43

For and on behalf of the Board of Directors

As per our report of even date attached
For **P G BHAGWAT LLP**
Chartered Accountants
Firm Reg. No.101118W/W100682

Akshay B. Kotkar
Partner
Membership No.: 140581
UDIN: 24140581BKDFC11406

A.S. Kirloskar
Chairman
DIN: 05324745

C.A. Harper
Director
DIN: 06700160

C.M. Mate
Director
DIN: 07399559

18 April 2024

18 April 2024

Notes to accounts for the year ended 31 March 2024**1. Corporate information**

Kirloskar Corrocoat Private Limited (KCPL) is a private company domiciled in India and incorporated under the provisions of the Indian Companies Act. KCPL is a joint venture company between Kirloskar Brothers Limited (KBL), India and Corrocoat Limited United Kingdom; with KBL holding 65% equity. The company manufactures glass flake filled technology coatings in a state-of-the-art plant at Kirloskarvadi, Maharashtra. It undertakes turnkey projects for supply and application of coatings on variety of equipment.

2. Significant accounting policies**i. Basis of preparation**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (The Act) read with the Companies Indian Accounting Standards Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 18th April 2024.

ii. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Defined benefit plan assets	Fair value

iii. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR rounded to the Lakhs Rupees, unless otherwise stated.

iv. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation
- Estimation for Warranty expenses
- Estimation for trade receivable impairment
- Creation of deferred tax asset on carry forward losses

v. Inventories

Inventories include raw material, work in progress and finished goods.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition comprises of the purchase price, import duties and other taxes (except those are subsequently recoverable from government authorities) and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. The company uses moving weighted average to measure costs to measure cost of raw material, stores spares and packing material. The cost of conversion of inventories include costs directly related to the units of production, such as direct labor and a

Notes to accounts for the year ended 31 March 2024

systemic allocation of fixed and variable production overheads. The fixed production overheads are allocated to the inventory based on normal capacity.

vi. Cash and cash equivalents

Cash at banks, cash on hand and short-term deposits with an original maturity of three months or less and which are subject to an insignificant risk of changes in value are classified as cash and cash equivalents.

vii. Property, plant and equipment

• Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs such as interest expenses directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Parts of an item of property, plant and equipment having different useful lives, (if any) are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under Other non-current assets.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

• Disposal

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

• Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, or as assessed by the Management of the Company based on technical evaluation.

viii. Intangible assets and amortisation

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Notes to accounts for the year ended 31 March 2024

Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Sr. No	Particulars	Life
1	Computer Software	5 years

ix. Revenue recognition**a. Sale of Products and Services**

The company is in the business of application of anti-corrosive paint on various equipment. It also undertakes turn key projects for supply and application of anti-corrosive coatings.

The company has multiple types of contracts with its customers but predominantly the contracts are for application of anti-corrosive paint on pipes or equipment and revenue from such contracts is recognized based on completion of area surface on a periodic basis over a period of time.

In certain cases, the company enters into two contracts with customers, one for supply of paint and second for its application. Under Ind AS 115, the company has combined these contracts (consequently making it a single transaction price) as one since the conditions set out in Ind AS 115 are fulfilled and in substance the customer approaches the company for application of anti-corrosive paint.

The company has identified a single performance obligation which gets completed over a period of time. The company has identified, supply of paint as the first milestone and recognizes revenue relating to it on transfer of control. Application of paint is identified as the second milestone and revenue from application of paint is recognized based on completion of area surface on a periodic basis.

Where the contract is only for supply of paint the company recognises revenue point in time when the control of the product passes on to the customer.

b. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method.

x. Finance costs

Finance costs comprises of interest expense on borrowings, and foreign currency loss on financial assets and liabilities (to the extent it is considered as an adjustment to finance costs). Interest expenditure is recognised as it accrues in the statement of profit and loss.

xi. Foreign currencies transactions

The financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

xii. Employee Benefits**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Notes to accounts for the year ended 31 March 2024

Post-Employment Benefits

Defined Contribution Plans

The Company's superannuation scheme, state governed provident fund scheme and employee state insurance scheme are its defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme managed by the Life Corporations of India (LIC) is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

The obligation for long term employee benefits such as long-term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

xiii. Taxes

Current income tax

Tax on income for the current period is determined based on taxable income after considering various provisions of the Income Tax Act, 1961 and based on the enacted rate.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current income tax is recognised in correlation to the underlying transaction either in the statement of profit and loss or OCI or directly in equity.

Deferred tax

Deferred tax is calculated using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to accounts for the year ended 31 March 2024

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax is recognised in correlation to the underlying transaction either in the statement of profit and loss or OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

xiv. Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

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

Provision for warranty is recognized when the product is sold. Provision is made on historical experience. The estimate of such warranty related costs is revised annually.

Contingent liability is disclosed in case of

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

xv. Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

A lessee is required to recognize assets and liabilities for all leases and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, there is no requirement to recognize a right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

Notes to accounts for the year ended 31 March 2024

xvi. Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

xvii. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realised in an immediate sale or settlement of the instrument.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

The financial instruments carried at fair value are categorized under the three levels of fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

xviii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Notes to accounts for the year ended 31 March 2024**Impairment of financial asset**

Company applies expected credit loss model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on Expected Lifetime Losses at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime Expected lifetime losses is used.

Financial liabilities**Initial recognition and measurement**

The company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities at their fair value on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial liability is measured initially at fair value minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified and measured as follows:

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

2) Loans and Borrowings at amortised Cost

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to accounts for the year ended 31 March 2024

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or when it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xix. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

xx. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision.

Segment accounting policies are in line with the accounting policies of the Company.

Notes to Accounts

Note 3 : Property, Plant and Equipment and Other Intangible assets

Particulars	Tangible Assets							Intangible Assets		
	Free hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Railway Siding	Total	Computer Softwares	Total
Gross Block										
As at 1 April 2022	120.30	469.26	818.69	26.70	4.53	-	1.86	1,441.34	11.55	11.55
Additions	-	-	23.07	-	-	-	-	23.07	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	120.30	469.26	841.76	26.70	4.53	-	1.86	1,464.41	11.55	11.55
Additions	-	-	74.96	-	-	-	0.13	75.09	-	-
Disposals	-	-	55.45	0.08	-	-	-	55.53	0.25	0.25
As at 31 March 2024	120.30	469.26	861.28	26.62	4.53	-	1.99	1,483.98	11.30	11.30
Depreciation/ Amortisation										
As at 1 April 2022	-	217.08	651.41	23.35	3.52	-	1.29	896.66	11.55	11.55
Charge for the year	-	15.23	39.72	1.17	0.37	-	0.09	56.57	-	-
Depreciation on disposal	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	-	232.31	691.12	24.52	3.89	-	1.38	953.22	11.55	11.55
Charge for the year	-	15.23	36.70	1.16	0.17	-	0.09	53.36	-	-
Depreciation on disposal	-	-	54.71	0.08	-	-	-	54.79	0.25	0.25
As at 31 March 2024	-	247.54	673.11	25.60	4.06	-	1.47	951.79	11.30	11.30
Net block										
As at 31 March 2023	120.30	236.94	150.64	2.19	0.63	-	0.49	511.19	-	-
As at 31 March 2024	120.30	221.71	188.16	1.02	0.46	-	0.53	532.19	-	-

Notes:

1) **Property, plant and equipment pledged as security**

Company has mortgaged its property, Plant and Equipment against borrowing from ICICI Bank & Shinhan Bank - refer note no 13

2) **Impairment loss**

No additional provision made for impairment loss during the year.

3) **Contractual obligations**

Refer note no 28 for estimated amount of contract remaining to be executed on capital account

4) **Capital work-in-progress**

No Capital work in progress as at the Balance Sheet date.

Notes to Accounts

5) Disclosure related to title deeds of Immovable properties held in the name of persons other than company
As at March 2024

(Amounts in Rs. Lakhs, unless otherwise stated)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	TD Holder- Promoter, Director or employee or P/D	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-

As at March 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	TD Holder- Promoter, Director or employee or P/D	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-

6) Disclosure requirements of Intangible assets under development

As at March 2024

Intangible Assets under development	Intangible Assets under development for a period of			Total
	Less than 1 Year	1-2 Years	More than 3 years	
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

Notes to Accounts

As at March 2023	(Amounts in Rs. Lakhs, unless otherwise stated)				
	Intangible Assets under development	Intangible Assets under development for a period of			Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years
	Projects in Progress	-	-	-	-
	Projects temporarily suspended	-	-	-	-

7) Disclosure requirement of Capital Work in progress
As at March 2024

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March 2023

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 4 : Investments

Particulars	31 March 2024	31 March 2023
Non-current		
(a) Investments		
Investment in mutual funds	-	-
	-	-
Current		
(a) Investments		
Investment in mutual funds - (At Fair Value)	254.25	-
	254.25	-
Total other asset	254.25	-

Note 5 : Financial Assets: Trade receivables

Particulars	31 March 2024	31 March 2023
Non-Current		
(a) Retentions		
Unsecured, considered good	11.20	3.91
	11.20	3.91
Break-up of Security Details		
Trade Receivable Considered Good- Secured	-	-
Trade Receivable Considered Good- Unsecured	11.20	3.91
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- Credit Impaired	-	-
	11.20	3.91
Less: Loss Allowance	-	-
Total	11.20	3.91
Current		
Unsecured, considered good		
Retentions	218.30	93.91
Trade Receivable from Others	508.58	687.56
Trade Receivable from Related Party (Ref: Note 32)	50.34	88.25
Unsecured, considered Doubtful - Retention	69.52	68.23
Unsecured, considered Doubtful - Others	62.87	45.35
	909.61	983.30
Less : Loss Allowance	(132.38)	(113.58)
	777.23	869.72
Break-up of Security Details		
Trade Receivable Considered Good- Secured	-	-
Trade Receivable Considered Good- Unsecured	777.23	869.72
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- Credit Impaired	132.38	113.58
	909.61	983.30
Less : Loss Allowance	(132.38)	(113.58)
	777.23	869.72
Total trade receivables	788.43	873.63

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Disclosure requirement for Non current Trade receivables

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2024							
1a	Undisputed Trade receivables – Retentions	11.20	-	-	-	-	-	11.20
1b	Undisputed Trade receivables – considered good (external parties)	-	-	-	-	-	-	-
1c	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
2	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables – credit impaired (external parties)	-	-	-	-	-	-	-
3b	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	11.20	-	-	-	-	-	11.20

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2023							
1a	Undisputed Trade receivables – Retentions	3.91	-	-	-	-	-	3.91
1b	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
1b	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
2	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables – credit impaired (external parties)	-	-	-	-	-	-	-
3b	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	3.91	-	-	-	-	-	3.91

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Disclosure requirement for Current Trade receivables

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2024							
1a	Undisputed Trade receivables – Retentions	91.65	11.01	10.77	42.75	3.80	-	159.98
1b	Undisputed Trade receivables – considered good (external parties)	286.81	266.39	10.47	10.14	3.60	0.68	578.09
1c	Undisputed Trade receivables – considered good (related parties)	50.34	-	-	-	-	-	50.34
2	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables – credit impaired - Retentions	-	-	-	4.62	12.37	52.53	69.52
3b	Undisputed Trade Receivables – credit impaired (external parties)	-	-	1.52	14.06	9.09	38.20	62.87
3c	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	428.80	277.40	22.76	71.57	28.86	91.41	920.80

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months 1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2023							
1a	Undisputed Trade receivables – Retentions	12.86	38.67	38.02	4.36	-	-	93.91
1b	Undisputed Trade receivables – considered good (external parties)	281.12	371.25	15.14	19.58	0.44	0.03	687.56
1c	Undisputed Trade receivables – considered good (related parties)	88.25	-	-	-	-	-	88.25
1d	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
2	Undisputed Trade Receivables – credit impaired - Retentions	-	-	0.13	15.21	15.07	37.82	68.23
3a	Undisputed Trade Receivables – credit impaired (external parties)	-	2.02	-	4.95	5.23	33.15	45.35
3b	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	382.23	411.94	53.29	44.10	20.74	71.00	983.30

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 6 : Financial Assets: Others

Particulars	2023-2024	2022-2023
Non-current		
(a) Deposit with banks (having maturity more than 12 months)		
Unsecured, considered good - (Lien marked against UP State Sales Tax Department)	-	-
(b) Security deposits		
Unsecured, considered good	14.61	14.07
	14.61	14.07
Current		
(a) Security deposits		
Unsecured, considered good	19.76	19.92
Unsecured, credit Impaired	-	-
	19.76	19.92
Less : Loss Allowance	-	-
	19.76	19.92
(b) Interest accrued on Deposits		
Unsecured, considered good	0.40	0.55
	20.16	20.47
Total other financial asset	34.77	34.54

Note 7: Income Tax and Deferred Tax

(1) The major components of income tax expense for the period ended 31 March 2024 and 31 March 2023 are:

(a) Profit or loss

Particulars	2023-2024	2022-2023
Current income tax:		
Current income tax charge	162.00	63.00
Adjustments in respect of current income tax of previous year	(25.55)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	14.04	(6.73)
MAT Credit Entitlement	-	-
Income tax expense reported in the statement of profit or loss	150.49	56.27

(b) Other Comprehensive Income

Deferred tax related to items recognised in OCI during the year:

Particulars	2023-2024	2022-2023
Income tax charged to OCI	0.96	3.03

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023

Particulars	2023-2024	2022-2023
Accounting profit before tax	609.68	309.67
At statutory income tax rate of 25.168% (a)	153.44	77.94
Adjustments		
Less: Tax rate adjustment on account of MAT applicability		
Tax rate difference between 27.82% and 15.6%		-
Subtotal (b)	153.44	77.94
Permanent differences		
Less : Non deductible expenses		
Interest on Income Tax	-	-
Penalties and fines	-	-
Subtotal (c)	-	-
Tax impact of above adjustments	-	-
Tax impact on brought forward loss	-	-
Tax impact on TDS disallowances	-	-
Other items	-	-
Total (f)	-	-
Tax expenses at effective rate (a-f)	153.44	77.94
Tax expenses recorded in books	176.04	56.27
Tax provision of earlier years	(25.55)	-
Total Tax expense as per books	150.49	56.27

Note 7 : Income tax

(2) Movement in deferred tax

(a) Deferred tax relates to the following: DTL/ (DTA)	31 March 2024	31 March 2023
Property, plant and equipment (Depreciation)	20.20	20.16
Employee benefits - compensated absences	(11.73)	(11.06)
Provision for doubtful debts and advances	(33.32)	(28.59)
Carry Forward Loss	0.72	(17.01)
Others - (DTA)/DTL	1.07	0.35
Net deferred tax liabilities/(assets) other than MAT credit	(23.06)	(36.15)

Particulars	2023-2024	2022-2023
Property, plant and equipment (Depreciation)	0.04	(1.30)
Employee benefits - compensated absences	(0.67)	(2.49)
Provision for doubtful debts and advances	(4.73)	(6.34)
Carry Forward Loss	17.73	1.85
Others - (DTA)/DTL	0.72	(1.49)
MAT credit entitlement	-	-
Deferred tax expense/(income)	13.09	-9.76

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

(b) Reflected in balance sheet as	31 March 2024	31 March 2023
Deferred tax asset	(43.26)	(56.31)
Deferred tax liability	20.20	20.16
Matching with note 2(a) above	(23.06)	(36.15)
MAT credit entitlement	-	-
Net Deferred tax asset	(23.06)	(36.15)

(3) Movement in current tax	31 March 2024	31 March 2023
Non Current tax (asset)/ liability as at beginning of period	(16.85)	80.26
Add: Additional provision during the year - Statement of Profit and loss account	136.45	63.00
Add: Provision for Interest on income tax of earlier made during the year	-	-
Add: Additional provision during the year - Other comprehensive income	-	-
Refund Received during the year	(103.84)	(160.11)
Less : TDS credit of previous year	-	-
Less: Current tax paid during the year	-	-
Current and Non Current tax (asset)/ liability as at end of period	15.76	(16.85)

Reflected in balance sheet as	31 March 2024	31 March 2023
Provision for income tax	162.00	63.00
Current advance tax	144.80	53.73
Non- current advance tax (net of provision)	1.44	26.12
	15.76	(16.85)

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 8 : Other current assets

Particulars	31 March 2024	31 March 2023
Non-current		
(a) Prepaid expenses		
Unsecured, considered good	3.50	4.10
(b) Claims receivable		
Unsecured, considered good (Indirect taxes)	-	-
(c) Advance income tax (net of provision)	1.44	26.12
(d) Capital advances		
Unsecured, considered good	-	-
	4.94	30.22
Current		
(a) Advances to supplier and others		
Unsecured, considered good	15.69	19.76
(b) Prepaid expenses		
Unsecured, considered good	3.33	2.68
(c) Surplus in Gratuity fund (refer note 31)	-	-
(d) Claims receivable (indirect taxes)		
Unsecured, considered good	49.96	83.86
	68.98	106.30
Total other asset	73.92	136.52

Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

Note 9 : Inventories

Particulars	31 March 2024	31 March 2023
(a) Raw Materials *	247.66	191.83
(b) Finished goods	120.79	159.72
(c) Packing Material	7.18	7.63
(d) Stores, spares and consumables	112.90	128.24
(Refer Note 2 (v) for Mode of valuation)	488.53	487.42
Amounts recognised in profit or loss	(1.42)	0.39

Note 10A : Cash and cash equivalents

Particulars	31 March 2024	31 March 2023
(a) Balances with bank		
In current account	61.21	-
In Fixed Deposit	150.00	-
(b) Cash on hand	0.50	0.83
	211.71	0.83

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 10B : Other bank balances

Particulars	31 March 2024	31 March 2023
(b) Deposit with banks (having maturity more than 3 months but less than 12 months)		
Unsecured, considered good - (Lien marked against UP State Sales Tax Department)	-	0.40
	-	0.40

Note 11: Equity share capital

Particulars	31 March 2024	31 March 2023
<u>Authorised</u>		
60.00 Lakhs (60.00Lakhs) equity shares of Rs.10/- each (Rs.10/-) each	600.00	600.00
<u>Issued, subscribed & fully paid up</u>		
50.00 Lakhs (50.00 Lakhs) equity shares of Rs.10/- each (Rs.10/-) each	500.00	500.00
	500.00	500.00

a) Terms/rights attached to equity shares

The company has only one class of equity shares, having par value of Rs. 10/- per share. Each holder of equity share is entitled for one vote per share and have a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The board of directors have declared dividend of Rs.0.60 (2022-23 : Rs.NIL) per share.

b) Reconciliation of share capital

Particular	31 March 2024		31 March 2023	
	Number	Amount (Rs)	Number	Amount (Rs)
Shares outstanding at the beginning of the year	50.00	500.00	50.00	500.00
Shares outstanding at the end of the year	50.00	500.00	50.00	500.00

c) Details of shareholder holding more than 5% shares

Particular	31 March 2024		31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd. - Holding Company	32.50	65%	32.50	65%
Corrocoat Ltd. UK	17.50	35%	17.50	35%

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

d) Promoters shareholding

As at March 2024

Shares held by Promoters at the end of the year				% Change during the year
S. No.	Promoter Name	No. of Shares held	% of Total shares	
1	Kirloskar Brothers Limited	32.50	65%	-
2	Corrocoat Limited	17.50	35%	-
	Total	50.00		

As at March 2023

Shares held by Promoters at the end of the year				% Change during the year
S. No.	Promoter Name	No. of Shares held	% of Total shares	
1	Kirloskar Brothers Limited	32.50	65%	-
2	Corrocoat Limited	17.50	35%	-
	Total	50.00		

e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- (a) The Company has not issued any shares without payment being received in cash.
- (b) The Company has not issued any bonus shares.
- (c) The Company has not undertaken any buyback of shares.

Note 12: Other equity

Particulars	31 March 2024	31 March 2023
(a) General reserves		
Opening balance	325.53	325.53
Add: Transfer from retained earnings	-	-
	325.53	325.53
(b) Retained Earnings		
Opening balance	201.57	(42.80)
Add: Total comprehensive income for the year	456.33	244.37
	657.90	201.57
Less: Appropriations :		
Final dividend paid including tax	-	-
Transfer to general reserve	-	-
Sub total	-	-
Closing balance	657.90	201.57
Total other equity	983.43	527.10

Nature and purpose of Other Reserves :

General Reserves : General reserves are the retained earnings of the Company which are kept aside out of company's profits to meet future (known/ unknown) obligations. The reserve is utilised in accordance with the provisions of the Act.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 13 : Financial Liabilities: Borrowings

Particulars	31 March 2024	31 March 2023
Non Current		
Secured		
Term Loans from bank	36.40	54.61
i) Secured against hypothecation of movable property procured against term loan and corporate guarantee by Holding Company		
ii) Loan carries interest @ Repo rate + 0.05% p.a.		
iii) To be repaid in 5 years		
iv) The loan was utilised for the purpose for which it was raised.		
Less- Current maturities of non current borrowings	18.27	11.74
	18.13	42.87
Current		
Secured		
Loans repayable on demand from bank		
(a) Cash Credit facilities	-	308.91
i) Secured by First charge by way of hypothecation of the Borrower's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable assets including book-debts and first charge on all movable fixed assets and corporate guarantee by Holding Company.		
ii) Cash credit facilities carries floating rate of interest of @ Repo rate + 3.25% p.a.		
iii) Quarterly returns or statements of current assets filed with bank are in agreement with the books of accounts.		
Current maturities of long term loan	18.27	11.74
	18.27	320.65
There has been no continuing default as on the balance sheet date in repayment of any of the above borrowings & interest thereon.		
Total borrowings	36.40	363.52

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 14 : Financial Liabilities: Trade payables -

Particulars	31 March 2024	31 March 2023
Non Current		
Retention money payable		
i) Total outstanding dues of micro enterprises & small enterprises (refer note 39)	1.38	1.38
ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	39.47	25.33
	40.85	26.71
Current		
i) Total outstanding dues of micro enterprises & small enterprises (refer note 39)	53.80	30.02
ii) Total outstanding dues of creditors other than micro enterprises & small enterprises		
Payable to Related parties (refer note 32)	10.26	7.83
Payable others	436.60	393.13
	500.66	430.98
Total trade payable	541.51	457.69

Disclosure requirement for Non current Trade payables

S.No.	Particulars	Not due	Outstanding for following periods from due date of payment				
			Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
	As at March 2024						
1	MSME	1.38	-	-	-	-	1.38
2a	Others (external parties)	39.47	-	-	-	-	39.47
2b	Others (related parties)	-	-	-	-	-	-
3	Disputed Dues – MSME	-	-	-	-	-	-
4	Dispute Dues - Others	-	-	-	-	-	-
	Total	40.85	-	-	-	-	40.85
	As at March 2023						
1	MSME	1.38	-	-	-	-	1.38
2a	Others (external parties)	25.33	-	-	-	-	25.33
2b	Others (related parties)	-	-	-	-	-	-
3	Disputed Dues – MSME	-	-	-	-	-	-
4	Dispute Dues - Others	-	-	-	-	-	-
	Total	26.71	-	-	-	-	26.71

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Disclosure requirement for Current Trade payables

S.No.	Particulars	Not due	Outstanding for following periods from due date of payment				Total
			Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2024						
1	MSME	53.80	-	-	-	-	53.80
2a	Others (external parties)	329.63	96.92	3.61	3.66	2.75	436.57
2b	Others (related parties)	-	10.26	-	-	-	10.26
3	Disputed Dues – MSME	-	-	-	-	-	-
4	Dispute Dues - Others	-	-	-	-	-	-
	Total	383.43	107.18	3.61	3.66	2.75	500.64
	As at March 2023						
1	MSME	30.02	-	-	-	-	30.02
2a	Others (external parties)	313.92	71.29	4.37	2.75	0.75	393.08
2b	Others (related parties)	-	7.83	-	-	-	7.83
3	Disputed Dues – MSME	-	-	-	-	-	-
4	Dispute Dues - Others	-	-	-	-	-	-
	Total	343.94	79.12	4.37	2.75	0.75	430.93

Terms and conditions of the above Trade payables:

Trade payables including related parties are non-interest bearing and having average term of 6 months except retention money payable.

Note 15: Other financial liabilities

Particulars	31 March 2024	31 March 2023
Current		
(a) Interest Accrued but not due on borrowings	0.17	2.84
(b) Others		
i) Salary & Reimbursements	72.61	73.31
ii) Dealer Deposit	9.00	8.00
iii) Payables on account of purchases of fixed assets	-	-
iv) Payables on account of purchases of fixed assets-MSME	-	-
v) Provision for expenses	11.21	10.83
Total other financial liabilities	92.99	94.98

Terms and conditions of the above financial liabilities:

- i) Other payables are non-interest bearing and have an average term of six months
- ii) For explanations on the financial risk management policies, refer to Note 35.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 16: Other Current liabilities

Particulars	31 March 2024	31 March 2023
Current		
(a) Advance from customer	162.65	46.60
(b) Contribution to Provident Fund	-	-
(c) Statutory dues (Direct & Indirect Taxes)	12.51	12.34
Total other liabilities	175.16	58.94

Note 17: Provisions

Particulars	31 March 2024	31 March 2023
Non-current		
a) Provision for employee benefits		
Compensated absences	20.13	17.81
b) Other provision		
Provision for product warranty (refer note 33)	6.94	10.99
	27.07	28.80
Current		
a) Provision for employee benefits		
Compensated absences	17.00	14.75
Gratuity (refer note 31)	10.33	14.79
b) Other provision		
Provision for product warranty (refer note 33)	5.77	10.84
	33.10	40.38
Total provisions	60.17	69.18

Note 18: Current tax liabilities (net)

Particulars	31 March 2024	31 March 2023
Current		
(a) Income Tax Provision for the year	162.00	63.00
Less : Advance income tax paid	144.80	53.73
Total other liabilities	17.20	9.27

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 19: Revenue from Operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Revenue from contracts with Customers		
i) Sales of Product	955.98	207.55
ii) Sales of Services	3,093.17	3,318.49
	4,049.15	3,526.04
(b) Other operating revenues		
i) Sale of scrap	4.50	3.32
ii) Bad debts recovered	-	-
	4,053.65	3,529.36

Note 20: Other Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest Income		
i) From customers and others	4.68	3.15
ii) On income tax refund	-	7.87
iii) Unwinding of discount & effect of changes in discount rate on retention money	4.24	1.41
(b) Other non-operating income		
i) Provision no longer required written back	10.84	1.83
ii) Unrealised gain valuation of Investment	4.25	
iii) Profit on sale of assets	1.30	-
iv) Other Miscellaneous Income	0.32	-
v) Income tax refund	32.77	-
	58.40	14.26

Note 21: Cost of materials consumed and changes in inventories of finished goods

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Raw materials consumed	1,057.62	941.33
(b) Changes in inventories of finished goods		
Opening Stock		
Finished goods	159.72	131.03
Closing Stock		
Finished goods	120.79	159.72
	38.93	(28.69)
Total	1,096.55	912.64

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 22: Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Salaries, wages and bonus	383.83	315.22
(b) Defined contribution plans Contribution to provident fund, super annuation fund and employees state insurance scheme	21.23	18.45
(c) Defined benefit plans Gratuity (refer note 31)	5.97	4.46
(d) Welfare expenses	2.15	2.05
	413.18	340.19

Note 23: Finance costs

Particulars	31-03-2024	31-03-2024
(a) Interest expense		
i Interest on borrowings from bank & others	9.68	39.52
ii Unwinding of discount & effect of changes in discount rate on warranty & Retention (Debtors)	2.23	1.17
iii Interest on Defined Benefit Obligation(Net) for interest portion of gratuity charge	0.54	(0.11)
(b) Other borrowing costs (includes bank guarantee commission, LC charges, loan processing charges)	26.73	18.18
	39.18	58.76

Note 24: Depreciation and amortization expense

Particulars	31-03-2024	31-03-2023
(a) Depreciation on property, plant and equipment	53.36	56.57
	53.36	56.57

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 25: Other expenses

Particulars	31-03-2024	31-03-2023
Stores and spares consumed	358.17	399.54
Processing charges (Application charges)	962.27	966.70
Power & fuel	42.50	41.03
Repairs and maintenance		
Plant and machinery	58.19	66.86
Buildings	10.10	0.99
Other	-	-
Rent	18.79	15.76
Rates and taxes	4.92	3.71
Travel and conveyance	166.92	130.52
Communication expenses	2.72	2.60
Insurance	13.15	13.52
Directors' sitting fees	1.35	0.90
Freight and forwarding charges	63.31	44.23
Brokerage and commission	22.68	22.25
Advertisements and publicity	2.90	1.18
Provision for product warranty	0.88	1.67
Loss on sale/disposal of fixed assets	0.62	-
Provision for doubtful debts	18.80	25.16
Bad debts written off	7.41	2.38
Auditor's remuneration (refer note 29)	6.26	5.41
Professional, consultancy and legal expenses	20.44	14.95
Security services	15.33	13.94
Computer services	22.97	19.71
Debit balances written off	0.35	-
Stationery & Printing	5.91	4.98
Training course expenses	5.54	0.45
Outside labour charges	43.98	50.53
Foreign exchange loss (net)	12.61	4.02
Bank Charges	-	-
Other miscellaneous expenses	11.03	12.81
	1,900.10	1,865.80

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 26: Other Comprehensive Income : Items that will not be reclassified to profit or loss

Particulars	31-03-2024	31-03-2023
Remeasurements (gains) and losses on post employments benefits	(3.82)	(12.06)
Tax on remeasurements gains and losses	0.96	3.03
	(2.86)	(9.03)

Note : 27 Contingent liabilities

Particulars	31 March 2024	31 March 2023
(a) Other money for which the company is contingently liable for Income Tax (Matter Subjudice)	-	70.84
	-	70.84

Note : 28 Commitments

Particulars	31 March 2024	31 March 2023
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	12.51	11.03
	12.51	11.03

Note : 29 Remuneration to Auditors

Particulars	31 March 2024	31 March 2023
Statutory Auditors :		
a) Audit Fees	3.90	3.25
b) Tax Audit Fees	1.00	1.00
c) GST Audit Fees	1.00	1.00
d) Certification services	0.24	0.11
e) Expenses reimbursed	0.12	0.05
Sub total	6.26	5.41

Note : 30 Earning per Share (Basic and diluted)

Particulars	31 March 2024	31 March 2023
a) Profit for the year before tax	609.68	309.67
Less : Attributable Tax thereto	150.49	56.27
Profit after Tax	459.19	253.40
b) Weighted average number of equity shares used as denominator	50.00	50.00
c) Basic earning per share of nominal value of Rs 10/- each	9.18	5.07
Note: The company does not have any potential equity shares that will have a dilutive effect on the earnings per share		

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note : 31 Employee Benefits :

i. Defined Contribution Plans:

Amount of Rs.21.23 Lakhs in F.Y: 2023-24 (Rs.18.45 Lakhs in F.Y: 2022-23) is recognised as an expense and included in Employees benefits expense (Note-22 in the Statement of Profit and Loss.)

ii. Defined Benefit Plans:

a) The amounts recognised in Balance Sheet are as follows:Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation at the end of period	78.96	64.92
Less: Fair Value of Plan Assets at the end of period	68.64	50.13
Amount to be recognised as liability or (asset)	10.32	14.79
B. Amounts reflected in the Balance Sheet		
Provisions (refer note 17)	10.32	14.79
Current asset (refer note 8)	-	-
Net Liability/(Asset)	10.32	14.79

b) The amounts recognised in the Statement of Profit and Loss are as follows: Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
1 Current Service Cost	5.97	4.46
2 Acquisition (gain)/ loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	0.55	(0.11)
5 Actuarial Losses/(Gains)	-	-
6 Curtailment (Gain)/ loss	-	-
7 Settlement (Gain)/loss	-	-
8 Others	-	(3)
Net periodic benefit cost recognised in the statement of profit & loss (refer note 22)	6.52	1.52

c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
1 Opening amount recognised in OCI outside profit and loss account	(13.64)	(25.69)
2 Remeasurements for the year - Obligation (Gain)/loss	3.27	14.60
3 Remeasurement for the year - Plan assets (Gain) / Loss	0.54	(2.54)
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	(9.83)	(13.64)
5 Less: Accumulated balances transferred to retained earnings		-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI (refer note 26)	3.81	12.06
Closing balances (remeasurement (gain)/loss recognised OCI)	(9.83)	(13.64)

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
1 Balance of the present value of Defined benefit Obligation at the beginning period	64.92	48.94
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	(2.83)
4 Interest expenses	4.80	3.11
5 Past Service Cost	-	-
6 Current Service Cost	5.97	4.46
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	-	(3.37)
10 Remeasurements on obligation - (Gain) / Loss	3.27	14.60
Present value of obligation as at the end of the period	78.96	64.91

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
1 Fair value of the plan assets as at beginning of the period	50.13	50.55
2 Acquisition adjustment	-	(2.83)
3 Transfer in/(out)	-	-
4 Interest income	4.26	3.23
5 Contributions	14.79	-
6 Benefits paid	-	(3.37)
7 Amount paid on settlement	-	-
8 Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.54)	2.54
9 Fair value of plan assets as at the end of the period	68.64	50.12

f) Net interest (Income) /expenses: Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
1 Interest (Income) / Expense – Obligation	4.80	3.11
2 Interest (Income) / Expense – Plan assets	(4.26)	(3.23)
3 Net Interest (Income) / Expense for the year	0.54	(0.11)

g) Remeasurement for the year (Actuarial Gain/Loss)

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
Experience(Gain)/Loss on plan liabilities	2.36	10.01
Demographic (Gain)/Loss on plan liabilities	-	0.17
Financial (Gain)/Loss on plan liabilities	0.92	4.42
Experience(Gain)/Loss on plan assets	0.83	(2.35)
Financial (Gain)/Loss on plan assets	(0.29)	(0.20)

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

h) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

Particulars	Percentage	Percentage
	2023-24	2022-23
1 Government Securities	0.00%	0.00%
2 High quality Corporate Bonds	0.00%	0.00%
3 Equity Shares of Listed companies	0.00%	0.00%
4 Property	0.00%	0.00%
5 Special Deposit Scheme	0.00%	0.00%
6 Funds managed by insurer	100.00%	100.00%
7 Others	0.00%	0.00%
Grand Total	100%	100%

Basis used to determine the overall expected return

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.40% in F.Y: 2023-24 (6.90% in F.Y: 2022-23) has been used for the valuation purpose.

i) The amounts pertaining to defined benefit plans are as follows:Funded Plan

Particulars	31 March 2024 Gratuity Plan (Funded)	31 March 2023 Gratuity Plan (Funded)
Defined Benefit Obligation	78.96	64.92
Plan Assets	68.64	50.13
(Surplus)/Deficit	10.32	14.79

Significant estimates

j) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- Discount rate as at 31-03-2024 - 7.20% (7.40% in F.Y: 2022-23)
- Expected return on plan assets as at 31-03-2024 - 7.40% (6.90% in F.Y: 2022-23)
- Salary growth rate as at 31-03-2024: 10.00% (10.00% in F.Y: 2022-23)
- Attrition rate as at 31-03-2024: 10.00% (10.00% in F.Y: 2022-23)
- The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) General descriptions of defined plans:

1 Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 Company's Pension Plan:

The company operates a Pension Scheme for specified ex-employees through a Employees family pension Scheme of 1971 notified by government. wherein the beneficiaries are entitled to defined monthly pension.

l) The Company has contributed 14.79 Lakhs to its gratuity fund in 2023-2024. The Company expects to fund Rs. 10.33 Lakhs towards its gratuity plan in the year 2024-25.

m) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the out come of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Change in assumption	Effect on Gratuity obligation As at 31 March 2024	Effect on Gratuity obligation As at 31 March 2023
1 Discount rate		
Increase by 1% to 8.20%	74.55	61.10
Decrease by 1% to 6.20%	83.82	69.14
2 Salary increase rate		
Increase by 1% to 11.0%	82.90	68.37
Decrease by 1% to 9.0%	75.30	61.72
3 Withdrawal rate		
Increase by 1% to 11.0%	78.45	64.49
Decrease by 1% to 9.0%	79.52	65.39

Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.88 years.

Expected Future Benefit Payments

The following benefits payments for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand
2025	7.58
2026	8.00
2027	14.13
2028	23.51
2029	6.85
2030-2034	61.49

The above cashflows have been arrived at based on the demographic and financial assumptions mentioned above in point j.

Risk Exposure:

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risk

- Asset liability Mismatch Risk
- Discount Rate Risk
- Future Salary Escalation and Inflation Risk

2. Asset Risk

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 32: Related party disclosures
(A) Names of the related party and nature of relationship where control exists

Sr. No.	Name of the related party	Nature of relationship
1	Kirloskar Brothers Limited	Holding Company

(B) Names of the related parties with whom transactions have been entered into

Sr. No.	Name of the related party	Nature of relationship
1	Corrocoat Limited, UK	Significant Influence: Enterprise wherein the Company is an associate
2	Karad Projects & Motors Limited	Fellow subsidiary
3	Kirloskar Ebara Pumps Limited	Joint Venture of Holding Company
4	Mr. Alok Kirloskar	Key Management Personnel
5	Mr. Clive Harper	
6	Mr. Graham Greenwood Sole	
7	Mr. C. M. Mate	

(C) Disclosure of related parties transactions

Sr No	Nature of transaction/ relationship/major parties	2023-2024		2022-2023	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Purchase of goods	104.01		111.38	
	Kirloskar Brothers Limited		1.69		111.38
	Corrocoat Limited, UK		102.32		-
2	Revenue from contracts with Customers	406.08		440.50	
	Kirloskar Brothers Limited		405.83	440.50	
	Karad Projects & Motors Limited		-		-
	Kirloskar Ebara Pumps Limited		0.25		-
3	Receiving Services	59.78		68.11	
	Kirloskar Brothers Limited		58.51		66.99
	Corrocoat Limited, UK		1.26		1.12
4	Reimbursement of Expenses	15.01		7.53	
	Kirloskar Brothers Limited		8.02		4.30
	Corrocoat Limited, UK		6.99		3.24
4	Receipt Reimbursement of Expenses	-			
	Kirloskar Brothers Limited	-		-	
5	Payment to Key Management Personnel	1.35		0.90	
	Sitting Fees				
	Mr. Alok Kirloskar		0.45		0.30
	Mr. Clive Harper		0.45		0.23
	Mr. C M Mate		0.45		0.30
	Mr. Graham Greenwood	-			0.08

The above transactions are in compliance of section 188 of the Companies Act, 2013 and are made at normal commercial terms at arms length price.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

(D) Amount due to/from related parties

Sr No	Nature of transaction/ relationship/major parties	2023-24		2022-23	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Accounts receivable (on account of sale of goods and services)				
	Kirloskar Brothers Limited		50.05		88.25
	Kirloskar Ebara Pumps Limited		0.30		-
	TOTAL	50.34		88.25	
2	Amount Due (on account of purchase of raw material goods & receipt of services)				
	Kirloskar Brothers Limited		-		-
	Corrocoat Limited, UK		10.26		7.83
	TOTAL	10.26		7.83	

All outstanding balances are unsecured and to be settled in cash.

Note : 33 Details of provisions and movements in each class of provisions.

a.	Particulars	Product Warranty
	Carrying amount as at 1 April 2022	18.98
	Add: Provision during the year 2022-23	1.67
	Less: Amount reversed during the year 2022-23	-
	Net provision for the year	1.67
	Add: Unwinding of discounts	1.17
	Less: Amount utilised during the year 2022-23	-
		-
	Carrying amount as at 31 March 2023	21.83
	Add: Provision during the year 2023-24	0.88
	Less: Amount reversed during the year 2023-24	(10.84)
	Net provision for the year	(9.95)
	Add: Unwinding of discounts	0.83
	Less: Amount utilised during the year 2023-24	-
	Carrying amount as at 31 March 2024	12.71

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Significant Estimate

The Company offers upto 5 years warranties on its contracts for application of coatings. Management estimates the related provision for future warranty claims based on historical warranty claims information, as well as recent trends that may suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's quality initiatives.

b. Particulars	Provision for Doubtful debts
Carrying amount as at 1 April 2022	88.41
Add: Provision during 2022-23	27.54
Less: Provision reversed during 2022-23	-
Net provision for the year	27.54
Less: Provision utilized towards Bad debt during 2022-23	(2.38)
Less: Provision reversed during 2022-23	-
Carrying amount as at 31 March 2023 (refer note no.5&6)	113.58
Add: Provision during 2023-24	29.63
Less: Provision reversed during 2023-24	(3.42)
Net provision for the year	26.21
Less: Provision utilized towards Bad debt during 2023-24	(7.41)
Carrying amount as at 31 March 2024 (refer note no.5&6)	132.38

Note : 34 Fair Value Measurements

As per assessments made by the management fair values of all financial instruments carried at amortised costs (except as specified below) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

Particulars	Carrying value	
	31 March 2024	31 March 2023
Levelled at Level 2		
Financial Assets		
a) Carried at amortised cost		
Trade receivable	788.43	873.63
Other financial assets: (Deposit and interest on deposit)	34.77	34.54
Cash and cash equivalent	211.71	0.83
Other bank balances		0.40
Levelled at Level 2		
Financial Liabilities		
a) Carried at amortised cost		
Interest bearing borrowings	36.40	363.52
Trade payable	541.51	457.69
Other current financial liabilities	92.99	94.98

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note: 35 Financial risk management policy and objectives

Company's principal financial liabilities, comprises borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets include advances to vendors, trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Foreign Currency Risk	Recognised financial liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	The impact of change in fluctuations in foreign currency is not material but the management monitors this risk. If this risk becomes material the management shall follow established risk management policies, which may include use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit Risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:"

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The company provides for expected lifetime losses in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a receivable for provision for doubtful debts/write off based on payment profile of sale over a period of 36 months before the reporting date and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

ability of the customers to settle the receivables. The amount of provision depends on certain parameters set by the Company in its provisioning policy. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to Risk	31-Mar-2024	31-Mar-2023
Interest bearing borrowings		
On demand	-	308.91
Less than 180 days	9.14	5.87
181 - 365 days	9.13	5.87
More than 365 days	18.13	42.87
Total	36.40	363.52
Other liabilities		
On demand	9.00	8.00
Less than 180 days	83.82	84.14
181 - 365 days	-	-
More than 365 days	-	-
Total	92.82	92.14
Trade & other payables		
On demand		
Less than 180 days	530.84	434.52
181 - 365 days	0.63	15.25
More than 365 days	10.02	7.87
Total	541.49	457.64

The company has access to following undrawn facilities at the end of the reporting period (Interest rates 9.4% - 10.5%)

	31 March 2024	31 March 2023
Expiring within one year	500.00	191.09
Expiring beyond one year	-	-

Provision for Expected lifetime losses

Financial assets for which loss allowance is measured using Expected Lifetime Losses

Exposure to Risk	31 March 2024	31 March 2023
Trade Receivables	920.81	987.21
Less : Loss Allowance	132.38	113.58
	788.43	873.63

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

	31 March 2024	31 March 2023
Trade Receivables		
Neither past due nor impaired	440.00	386.14
Past due but not impaired		-
Less than 180 days	277.40	409.92
181 - 365 days	21.24	53.16
More than 365 days	60.97	24.41
Credit Impaired	132.38	113.58
Total	931.99	987.21

Reconciliation of loss provision (refer note no. 5 & 6)

	Trade receivables
Loss allowance as at 1 April 2022	88.41
Changes in loss allowance	25.16
Loss allowance as at 31 March 2023	113.58
Changes in loss allowance	18.80
Loss allowance as at 31 March 2024	132.38

Note : 35 Financial risk management policy and objectives (continued)

(C) Foreign Currency Risk

The company is exposed to foreign exchange risk mainly through its purchases from overseas suppliers in various foreign currencies.

The impact of change in fluctuations in foreign currency is not material but the management monitors this risk. If this risk becomes material the management shall follow established risk management policies, which may include use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial Liabilities	Currency	Amount in Foreign Currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade Payables	GBP	0.54	0.07	54.57	6.83

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency		Amount in INR	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
GBP	0.54	0.07	54.57	6.83

Sensitivity Analysis

Currency	Amount in INR		Sensitivity %	
	2023-24	2022-23	2023-24	2022-23
GBP	54.57	6.83	3.25%	2.28%
Total	54.57	6.83	3.25%	2.28%

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2023-24	2022-23	2023-24	2022-23
GBP	(0.018)	(0.002)	0.018	0.002
Total	(0.018)	(0.002)	0.018	0.002

GBP - Great Britain Pound)

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note : 36 Capital management

(a) Risk management

The company's objective when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- **Maintain an optimal capital structure to reduce the cost of capital.**

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following Gearing ratio: Net debt **(Total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).**

The company's strategy is to maintain a gearing ratio within 40%. The gearing ratios were as follows:

	31 March 2024	31 March 2023
Loans and borrowings	36.40	363.52
Less: Cash and cash equivalents	211.71	0.83
Net debt	(175.31)	362.69
Equity	1,483.43	1,027.10
Gearing ratio	-11.8%	35.31%

B Dividend

	31 March 2024	31 March 2023
(i) Equity Shares	50.00	50.00
Final dividend for the year ended 31 March 2024 is INR 0.60 (31 March 2023 INR NIL) per fully paid share	30.00	NIL
Interim dividend for the year ended 31 March 2024 is INR (31 March 2023 INR NIL) per fully paid share	NIL	NIL
(ii) Dividends not recognised at the end of the reporting period	30.00	NIL

Post the year end, directors have recommended dividend INR 0.60 per fully paid share (31 March 2023 INR NIL).

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 37 : Ratios

	Ratios	For the year 2023-24				For the year 2022-23				Variance (%)	Reason for variance more than 25%
	Particulars	Numerator	Denominator	Days		Numerator	Denominator	Days			
1	Current Ratio [Current assets / current Liability]	1,820.86	837.38	2.17		1,485.14	955.20	1.55		39.86	Due to better collection from debtors, payments to creditors and lesser Cash Credit utilization has resulted into increased current ratio.
2	Debt-Equity Ratio [Debt/Equity]	36.40	1,483.43	0.02		363.52	1,027.10	0.35		(93.07)	Use of surplus funds & no utilization of cash credit and increase in equity has impacted the ratio.
3	Debt Service Coverage Ratio [PBIDT/Interest+ Interest Due]	702.22	39.18	17.92		424.99	58.76	7.23		147.79	For previous year there was profit of Rs. 253.40 lakhs but for the year there is profit of Rs. 459.21 lakhs. This has impacted the PBDIT
4	Return on Equity Ratio[(PAT)/(Total op. Equity+ Total cl. Equity)/2]	459.19	1,255.26	0.37		253.40	904.92	0.28		30.64	For previous year there was profit of Rs. 253.40 lakhs but for the year there is profit of Rs. 459.21 lakhs. This has impacted the PBDIT
5	Inventory Turnover [Consumption / (op. Inventory+cl. Inventory)/2]	1,096.55	487.98	2.25	162.43	912.64	451.88	2.02	180.73	11.26	Inventory turnover ratio is improved due to increase in turnover and effective control over Inventory management
6	Trade Receivables Turnover [Sales / (op. receivable+cl. Receivables)/2]	4,053.65	831.03	4.88	74.83	3,529.36	898.25	3.93	92.90	24.15	Trade receivable turnover ratio has increased due to increase in sales
7	Trade Payable Turnover [Consumption/(op. payables+cl. Payables)/2]	1,096.55	499.60	2.19	166.30	912.64	525.59	1.74	210.20	26.40	Trade payable turnover ratio has increased due to increase in production
8	Net Capital Turnover ratio [Sales/Working Capital]	4,053.65	983.48	4.12		3,529.36	529.97	6.66		(38.11)	Better turnover and increase in working capital has impacted the ratio.
9	Net profit Ratio [PAT/Sales]	459.19	4,053.65	0.11		253.40	3,529.36	0.07		57.78	For previous year there was profit of Rs. 253.40 lakhs but for the year there is profit of Rs. 459.21 lakhs. This has impacted the PBDIT
10	Return on Capital Employed [PBIT/TCE=(NW-DTA+debt+DTL)]	648.86	1,496.77	0.43		368.42	1,354.47	0.27		59.37	For previous year there was profit of Rs. 253.40 lakhs but for the year there is profit of Rs. 459.21 lakhs. This has impacted the PBDIT
11	Return on Investment [ROI= Interest received / Average Fix deposits]	-	-	NA		-	-	NA			

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 38: Segment reporting

Company operates in single operating segment of applicabation of anti-corrosive coatings.

Note 39: Dues to Micro, Small, Medium Enterprises

Particulars	31 March 2024	31 March 2023
Total outstanding amount in respect of micro, small and medium enterprises	55.18	31.39
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointment day	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note 40 : Corporate social responsibility expenditures

(a) Amount required to be spent by the Company during the year is Rs.Nil/-(Rs. Nil in F.Y: 2022-23)

(b) Amount spent by the Company during the year is Rs. Nil/- (Rs. NIL in F.Y: 2022-23)

Note 41 : Note on Charge Creation

The company has registered all Details of Registration or satisfaction of charge with ROC within the prescribed time from the execution of document.

Note 42 : Foreign Exchange Earnings

The company have Foreign Exchange Earnings Rs.4,27,336/-

Note 43 : Transactions with Struck off Companies : (Refer below Table).

As at March 2024

Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

As at March 2023

Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

43 B Audit Trail Reporting

The access to the database for accounting and consolidation software is restricted only to single CIC basis admin user (changes if any are allowed only with prior approval of committee of senior management) depending on Company's operating and business needs after appropriately designing the internal controls and ensuring the operating effectiveness of such controls.

Audit trail function for database level is disabled by default in SAP. Enabling that feature, can affect the performance of SAP system as whole. Considering above facts, management has not enabled audit trail at database level.

The Company uses services of third-party service provider (ADP India Private Limited) for payroll processing and said organisation has provided SOC 1 report covering sustainability of the design and operating effectiveness of controls. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third-party service provider had verified these controls and issue certificate for ISO standards.

Further, there is no direct integration between third party payroll system and KCPL accounting system. Processed payroll data received from third party service provider, is duly verified by KCPL's internal team before accounting the same.

Above mentioned does not impact the internal control environment of the Company.

Note 44 : Willful Defaulter

The company has not been declared willful defaulter by any banks/Financial Institutions.

Note 45 : Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto Currency or Virtual Currency

Note 46 : Note on Undisclosed Income If any

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

Note 47: Disclosure related to reporting under rule 11(e) of the companies (audit and auditors) rules, 2014, as ammended.

- a) 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 compaany to or any other person 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) No funds have been received by the Company from any person or entity, 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.

Note 48:

Figures of the previous year have been regrouped wherever necessary.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Reg. No.101118W/W100682

Akshay B. Kotkar
Partner
Membership No.: 140581
UDIN: 24140581BKDFC1406

18 April 2024

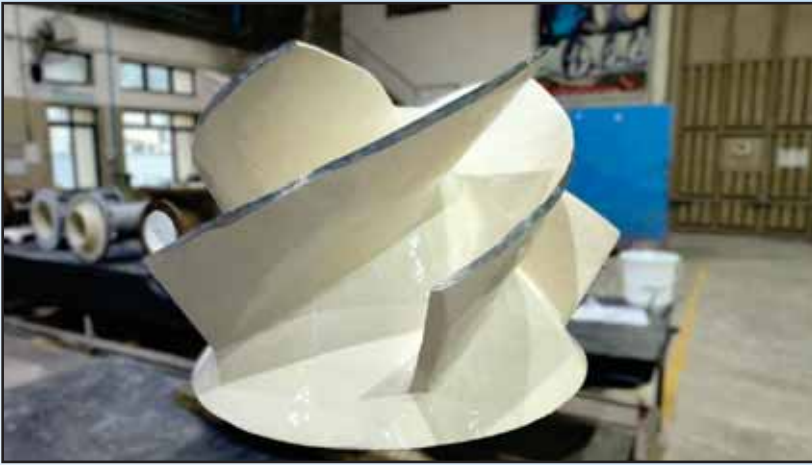
For and on behalf of the Board of Directors

A.S. Kirloskar
Chairman
DIN: 05324745

C.A. Harper
Director
DIN: 06700160

C.M. Mate
Director
DIN: 07399559

18 April 2024



◀ IMPELLER COATING

EXTERNAL PIPELINE COATING ▶



◀ VALVE COATING

FGD ABSORBER INTERNAL COATING ▶





KIRLOSKAR CORROCOAT PRIVATE LIMITED

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CIN.: U28920PN2006PTC022240

