KIRLOSKAR CORROCOAT PRIVATE LIMITED

ANNUAL REPORT
2024-2025

ENGINEERED EFFICIENCY BEYOND THE SURFACE

Annual Report for the financial year ended on 31st March 2025

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
Suites 102, 'Orchard',
Dr. Pai Marg, Baner,
Pune 411 045

BANKERS

ICICI Bank Limited
HDFC 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

19th Annual General Meeting

Day & date	:	Wednesday, 14th May, 2025
Time	:	03.00 P.M.
Venue	:	Kirloskar Brothers Limited, 'Yamuna', S.No. 98 (3-7), Baner, Pune 411 045

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of Kirloskar Corrocoat Private Limited will be held at 03.00 p.m. on Wednesday, the 14th day of May, 2025 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, 2025, Board's Report and the Auditors' Report thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2024-25.
3. To appoint a Director in place of Mr. Clive Harper (DIN: 06700160), who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors
For KIRLOSKAR CORROCOAT PRIVATE LIMITED

Chittaranjan Mate
Director
DIN 07399559

Date : 17 April 2025

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. Clive Anthony Harper (age 67) (DIN 06700160) is a Non-Executive Director on the Board of the Company appointed with effect from 5th August, 2013 and retires by rotation and being eligible, offers 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.

Mr. Harper is a BA (Hons), Accounting & Finance, FCA, Fellow of the Institute of Chartered Accountants in England & Wales and FPC, Certificate in Financial Planning, Chartered Insurance Institute. He is the Group Financial Director of Corrosioneering Group Limited, the holding company of Corrocoat worldwide business and heads the financial management function, IT function, Company Secretarial duties, personnel management and legal. He is with the organization since 1987. Before joining Corrosioneering Group, he was with Coopers & Lybrand from 1979 where he progressed from Trainee to Senior Manager.

He is also director of several of the Corrosioneering Group's operations worldwide viz. Corrocoat Limited, Corrocoat Corrosioneering Limited, Corrocoat SA (Pty) Ltd, Corrocoat Benelux BV, Corrosioneering Technologies (Pty) Limited, Saccabulla Properties (Pty) Limited, Corrocoat Asia Limited, Corrocoat Insurance (HK) Limited, Corrocoat USA, Inc., Corrosioneering USA, Inc., 6525 Greenland Road LLC, Glassflake Limited, Glassflake Australia Pty Limited, Glassflake International, Inc., Glassflake (Thailand) Co. Ltd. and Contract Risks Management Ltd. He does not hold any other Directorships, Membership or Chairmanship of Committees of other Boards.

He does not hold any shares in the Company. He has attended all the Board Meeting held during the year 2024-25.

The Board recommends passing of the resolution for approval by the Members of the Company. 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

Chittaranjan Mate
Director
DIN 07399559

Date : 17 April 2025

BOARD'S REPORT

The Members of the Company,

Your Directors present the 19th Annual Report and Audited Accounts of the Company for the year ended March 31, 2025.

1. FINANCIAL PERFORMANCE

The financial results of the Company for the year 2024-25 as compared with the previous year are as under-

(Rs. in Lakhs)

Particulars	Current Year ended March 31, 2025	Previous Year ended March 31, 2024
Revenue from Operations	**6,012.41**	4,053.65
Other Income	**85.58**	58.40
Total Income	**6,097.99**	4,112.05
Profit (Loss) Before Tax	**1,318.66**	609.68
Tax Expenses	**328.66**	150.49
Profit (Loss) for the period	**990.00**	459.19
Total Comprehensive Income for the period	**986.44**	456.33

2. DIVIDEND AND RESERVES:

The Directors of the Company have recommended dividend @ 20 % (PY 6 %) on Paid up Equity Share Capital [i.e. Rs. 2.00 (PY 60 Paise or Re.0.60) on every Equity Share of Rs. 10 each] for the year ended on March 31, 2025.

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. 6,012.41 Lakhs for the year, an increase of 48% 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 is focusing on expanding pump & valve refurbishment on Pan India basis. Moreover, business development activities for new products and application would help continual growth trajectory for the Company in the years to follow.

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:

Five Board Meetings were held during the year on: April 18, 2024, July 23, 2024, October 16, 2024, January 16, 2025 and March 24, 2025.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) 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;

c) 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 i.e. till FY 2025-26.

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: There were no material contracts or arrangement or transactions.

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 process 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 new steps taken in Financial Year 2024-25 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
- Cold Storage AC System is being replaced with flame proof motor and 407C refrigerant gas.

Power saving at customer end through efficiency improvement coating is 863.17 KW in Financial Year 2024-25.

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

From last 10 years, solar panel system utilized for one streetlight.

(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
d.	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. in lakhs)

Foreign Exchange earned in terms of actual inflows during the year	NIL
Foreign Exchange outgo during the year in terms of actual outflows	518.15

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. Clive Harper (DIN: 06700160) being eligible for retirement by rotation, has offered himself for re-appointment. The same has been included in the Notice convening Annual General Meeting.

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 became applicable to the Company for the financial year under review. The annual report on Corporate Social Responsibility activities pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is disclosed in as Annexure-I of this report which shall form part and parcel of this report.

17. HOLDING COMPANY:

Kirloskar Brothers Limited is the holding company.

18. CASH FLOW:

A cash flow statement for the year ended March 31, 2025 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 as 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, 2025:

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	1
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 would further like to record their appreciation of the efforts of every employee for the results achieved during the year. Your Directors wish to place on record their appreciation of the unstinted support and co-operation given by the Banks.

For and on behalf of the Board of Directors

Alok Kirloskar
Chairman
DIN 05324745

Date: 17 April 2025

ANNEXURE I

ANNUAL REPORT ON CSR ACTIVITIES

1.	**Brief outline on CSR Policy of the Company:**
	The Company is committed in making a positive difference by carrying out various initiatives towards its social obligations for the stakeholders and society in the vicinity of manufacturing location i.e. Kirloskarvadi and in surrounding areas by contributing towards activities of Education including employment enhancement skills and other permitted activities under the Companies Act, 2013 directly or through implementing agencies.
2.	**Composition of CSR Committee:** In terms of provisions of Section 135(9) of the Companies Act, 2013, the functions of CSR Committee are discharged by the Board of the Company. Hence, the details required below are not applicable.

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : https://www.kicopl.com/company_profile	
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not applicable. As the CSR obligation has become applicable in the Financial Year 2024-25 and the same is less than Rs.10 Crores.

5.	(a)	Average net profit of the company as per Section 135(5) of the Companies Act, 2013, (the Act')	Rs. 3,34,98,753
	(b)	Two percent of average net profit of the Company as per Section 135(5) of the Act	Rs. 6,69,975
	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NA
	(d)	Amount required to be set off for the financial year, if any	Nil
	(e)	Total CSR obligation for the financial year (b + c – d)	Rs. 6,69,975
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 6,70,000
	(b)	Amount spent in Administrative Overheads	Nil
	(c)	Amount spent on Impact Assessment, if applicable	Nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	Rs. 6,70,000
	(e)	CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6,70,000	Nil	NA	NA	Nil	NA

f) Excess amount for set off, if any – Rs. 25/-

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per Section 135(5)	Rs. 6,69,975
ii.	Total amount spent for the Financial Year	Rs. 6,70,000
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 25
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 25

7. Details of Unspent CSR amount for the preceding three financial years: Nil

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NO**

If Yes, enter the number of Capital assets created/ acquired: -

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	Not Applicable

Alok Kirloskar
Chairman
DIN 05324745

Chittaranjan Mate
Director
DIN 07399559

Date : 17 April 2025

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, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Material 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, 2025, its profit (including other comprehensive income), its 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 Board of Directors' Report along with its Annexures (together referred to as "the other information") included in the Annual 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.
- 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 except for the matters stated in the paragraph i) vi below on reporting under Rule 11(g).
   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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (b) above and refer to our comment in paragraph (i)(vi) below, on reporting under rule 11 (g).
   g) With respect to the adequacy of the internal financial controls with reference to the Financials Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

h) According to information and explanation provided to us, no remuneration is paid by the Company to its directors and no person is occupying the position of a manager under the Act. Sitting fee paid to directors is with limits specified under the Act. Therefore, though section 197 of the Act is applicable to the Company there nothing to report as per section 197 (16) of the Act;

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 (a) to the financial statements.

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

(iii) There are no amounts 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign 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. Refer note 47 to the financial statements.

(b) the management has represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign 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. Refer note 47 to the financial statements.

(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 as mentioned under sub-clause (iv)(a) and (iv)(b) above contains any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(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 except that no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes. During the course of our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with.

Further, the Company uses services of a third-party service provider for salary processing and in the absence of Service Organisation Control Type 2 Report/ISAE 3402, "Assurance Reports on Control at a Service Organisation", 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 were any instances of the audit trail feature been tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRO6699

Place – Pune
Date – April 17, 2025

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 and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a policy of verifying part of the property, plant and equipment every year internally. Majority of property, plant and equipment is verified once in three years, with external independent consultants/agency. In our opinion the interval of verification is reasonable. As per the policy, the majority of property, plant and equipment were verified by external consultants/agency in the current year. According to the information provided to us, no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in the Financial Statements (refer note 3) are held in the name of the Company.

(d) The Company has chosen cost model for its property, plant and equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment or intangible assets does not arise.

(e) According to the information and explanations provided to us, there are no proceedings that 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.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided to us the quarterly returns or statements (except for quarter ended March 31, 2025, which is yet to be submitted), which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. Based on our audit procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/ reconciled with the unaudited books of account of the Company.

(iii) According to the information and explanations provided to us, the Company has not 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 during the year and does not have any opening loan balances. Accordingly, reporting on clause 3 (iii) (a), (c), (d), (e) and (f) of the Order is not applicable. The Company has made investments in mutual funds.

(b) According to information and explanation provided to us and in our opinion, the investments made by the Company during the year in the mutual funds are, prima facie, not prejudicial to the interest of the Company.

(iv) According to information and explanation provided to us, the Company has not granted any loans, made investments, provided guarantees and securities that are covered under the provisions of Sections 185 and 186 of the Act. Accordingly, reporting on clause 3 (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) According to the information and explanation provided to us, there are no statutory dues referred to in clause (vii) (a) which have not been deposited because of any dispute except as given below:

Name of Statue	Nature of Dues	Amount (Rs. Lakhs)	Amount paid under protest (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Goods & Service Tax Act, 2017	Central and state tax, interest and penalty	12.54	-	2017-18	Appellate authority
Goods & Service Tax Act, 2017	Central and state tax, interest and penalty	12.68	-	2018-19	Appellate authority

(viii) According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) Based on our audit procedures; in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.

(b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and in our opinion, no term loans availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting on clause 3 (ix) (e) is not applicable.

(f) According to the information and explanations given to us the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, reporting on clause 3 (ix) (f) is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on clause 3 (x) (a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause 3 (x) (b) of the Order are not applicable.

(xi) (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(c) According to information and explanation provided to us, establishment of a whistle blower and vigil mechanism is not mandated under the Act. Accordingly, reporting on clause 3 (xi) (c) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, clause 3 (xii) (a), (b) & (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of transactions have been disclosed in the Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 32 to the Financial Statements. Section 177 of the Act is not applicable to the Company.

(xiv) (a) According to the information and explanations given to us and in our opinion, internal audit is not mandated for the Company under the Act, however, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration the reports of the Internal Auditors made available to us by the management, covering two business processes and a period from January 1, 2024 to September 30, 2024 of the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3 (xv) of the Order is not applicable.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.

(d) According to the information and explanations given to us, there is no Core Investment Company within the Group. Accordingly, reporting on clause 3(xvi) (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on 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 the 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 said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us, there is no amount remaining unspent towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, pursuant to any ongoing project. Accordingly, reporting on clause 3 (xx) (b) is not applicable.

For P G BHAGWAT LLP

Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRO6699

Place – Pune
Date – April 17, 2025

Annexure B to the Independent Auditors' Report

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

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

We have audited the internal financial controls with reference to the Financials Statements of Kirloskar Corrocoat Private Limited ("the Company") as of March 31, 2025 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financials 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 with reference to the Financials Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Financials Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financials Statements included obtaining an understanding of internal financial controls with reference to the Financials Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Financials Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to the Financials 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 Financials Statements to future periods are subject to the risk that the internal financial control with reference to the Financials 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 Financials Statements and such internal financial controls with reference to the Financials Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP

Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRO6699

Place – Pune
Date – April 17, 2025

Balance Sheet as at 31 March 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	31 March 2025	31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**603.48**	532.19
Capital work-in-progress	3(a)	**40.80**	-
Other Intangible assets	3	**-**	-
Financial Assets			
Trade receivables	5	**56.18**	11.20
Others	6	**16.59**	14.61
Deferred tax assets (net)	7	**-**	23.06
Other non-current assets	8	**25.07**	4.95
Total non-current assets		**742.12**	586.01
Current assets			
Inventories	9	**671.66**	488.53
Financial Assets			
Investments	4	**846.07**	254.25
Trade receivables	5	**1,230.94**	751.96
Cash and cash equivalents	10	**148.28**	211.71
Others	6	**29.53**	20.16
Other current assets	8	**92.66**	94.24
Total current assets		**3,019.14**	1,820.85
TOTAL ASSETS		**3,761.26**	2,406.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	**500.00**	500.00
Other equity	12	**1,939.87**	983.43
Total equity		**2,439.87**	1,483.43
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	**-**	18.13
Trade payables	14		
- Dues of micro enterprises & small enterprises		**62.98**	1.38
- Others		**19.25**	39.47
Provisions	17	**34.54**	27.07
Deferred tax liabilities (net)	7	**10.58**	-
Total non-current liabilities		**127.35**	86.05
Current liabilities			
Financial liabilities			
Borrowings	13	**-**	18.27
Trade payables	14		
- Dues of micro enterprises & small enterprises		**124.64**	53.80
- Others		**420.36**	429.31
Other financial liabilities	15	**173.08**	110.54
Other Current liabilities	16	**442.56**	175.16
Provisions	17	**33.40**	33.10
Current tax liabilities (net)	**18**	**-**	17.20
Total current liabilities		**1,194.04**	837.38
Total liabilities		**1,321.39**	923.43
TOTAL EQUITY AND LIABILITIES		**3,761.26**	2,406.86

Corporate information	1
Summary of material accounting policies	2
The accompanying notes form an integral part of the financial statements	3 to 47

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

Abhijeet Bhagwat
Partner
Membership No.: 136835

UDIN: 25136835BMLYRO6699
Pune
April 17, 2025

For and on behalf of the Board of Directors

A.S. Kirloskar	**C.A. Harper**	**C.M. Mate**
Chairman	Director	Director
DIN: 05324745	DIN: 06700160	DIN: 07399559

Pune
April 17, 2025

Statement of Profit and Loss for the Year Ended 31 March 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	Year Ended 31/03/2025	Year Ended 31/03/2024
Revenue from Operations	19	**6,012.41**	4,053.65
Other Income	20	**85.58**	58.40
Total Income		**6,097.99**	4,112.05
Expenses			
Cost of materials consumed	21	**1,450.07**	1,057.62
Changes in inventories of finished goods	21	**(137.42)**	38.93
Employee benefits expense	22	**502.980**	413.18
Finance costs	23	**50.69**	39.18
Depreciation and amortization expense	24	**55.96**	53.36
Other expenses	25	**2,857.05**	1,900.10
Total expenses		**4,779.33**	3,502.37
Profit/(loss)before exceptional items and tax		**1,318.66**	609.68
Exceptional items		**-**	-
Profit /(loss) before tax		**1,318.66**	609.68
Tax expenses			
Current tax		**304.00**	162.00
Deferred tax	7	**34.85**	14.04
Short/(Excess) provision of earlier years		**(10.19)**	(25.55)
Total Tax expenses		**328.66**	150.49
Profit (Loss) for the period from continuing operations		**990.00**	459.19
Profit/(loss) from discontinued operations		**-**	-
Tax expenses of discontinued operations		**-**	-
Profit/(loss) from discontinued operations (after tax)		**-**	-
Profit/(loss) for the period		**990.00**	459.19
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	26	**(4.76)**	(3.82)
Income tax relating to items that will not be reclassified to profit or loss		**1.20**	0.96
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**986.44**	456.33
Earnings per equity share			
Basic	30	**19.80**	9.18
Diluted	30	**19.80**	9.18

Corporate information	1
Summary of material accounting policies	2
The accompanying notes form an integral part of the financial statements	3 to 47

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

Abhijeet Bhagwat
Partner
Membership No.: 136835

UDIN: 25136835BMLYRO6699
Pune
April 17, 2025

For and on behalf of the Board of Directors

A.S. Kirloskar	**C.A. Harper**	**C.M. Mate**
Chairman	Director	Director
DIN: 05324745	DIN: 06700160	DIN: 07399559

Pune
April 17, 2025

Cashflow statement for the year ended 31 March 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	2024-2025	2023-2024
Cashflows from Operating Activities		
Net Profit before taxation and extraordinary items	**1,318.66**	609.68
Adjustments for :-		-
Depreciation / Amortization	**55.96**	53.36
Loss on sale of Fixed Assets	**1.98**	0.62
Profit on sale of Fixed Assets	**(9.98)**	(1.30)
Provision no longer required written back	**(5.77)**	(10.84)
Provision for doubtful debts, advances and claims	**(83.98)**	18.80
Bad debts	**98.25**	7.41
Unrealised gain valuation of Investment	**(21.00)**	(4.24)
Unwinding of discount & effect of changes in discount rate on retention money	**(20.27)**	(4.25)
Interest Income	**(7.01)**	(4.68)
Interest Expenses	**50.69**	39.18
Operating Profit Before Working capital changes	**1,377.53**	703.74
Adjustments for :-		
(Increase)/ decrease in inventories	**(183.13)**	(1.11)
(Increase)/ decrease in trade receivables	**(538.23)**	58.99
(Increase)/ decrease in financial assets	**(10.95)**	(0.38)
(Increase)/ decrease in non-financial assets	**(2.26)**	37.92
Increase/ (decrease) in trade payable	**123.54**	88.06
Increase/ (decrease) in financial liabilities	**62.71**	0.68
Increase/ (decrease) in non-financial liabilities	**267.40**	116.22
Increase/ (decrease) in provisions	**13.54**	(1.99)
Cash Generated from Operations	**1,110.15**	1,002.13
Income Tax (Paid) / Refunded	**(327.18)**	(103.84)
Net Cash from Operating Activities	**782.97**	898.29
Cashflows from Investing Activities		
Purchase of Fixed Assets	**(175.17)**	(75.09)
Sale of Fixed Assets	**10.24**	1.42
Interest Received	**6.61**	5.23
Investments in Mutual Funds	**(570.82)**	(250.00)
Net Cash from Investment Activities	**(729.14)**	(318.44)
Cash Flows from Financing Activities		
Proceeds/(Repayment) from borrowing	**(36.40)**	(327.12)
Interest Paid	**(50.86)**	(41.85)
Dividend Paid including tax on dividend	**(30.00)**	-
Net Cash used in Financing Activities	**(117.26)**	(368.97)
CSR Spend	**-**	-
Net Increase in Cash and Cash Equivalents	**(63.43)**	210.88
Cash & Cash Equivalents at begining of period (refer note 10)	**211.71**	0.83
Sub Total	**148.28**	211.71
Cash & Cash Equivalents at end of period (refer note 10)	**148.28**	211.71

Cash flow is prepared using indirect method as per Ind As 7 - Statement of Cashflows

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

Abhijeet Bhagwat
Partner
Membership No.: 136835

UDIN: 25136835BMLYRO6699
Pune
April 17, 2025

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

Pune
April 17, 2025

Statement of Changes in Equity for the period ended 31 March 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

A. Equity Share Capital

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

Balance as at 1 April 2024	**Changes in equity share capital during the year**	**Balance as at 31 March 2025**
500.00	-	**500.00**

B. Other Equity

Particular	**Reserves and Surplus**		**Total**
	General reserve	**Retained Earnings**	
Balance as at 1 April 2023	**325.53**	**201.57**	**527.10**
Profit for the year	-	456.33	456.33
Other comprehensive income	-	-	-
Balance as at 31 March 2024	**325.53**	**657.90**	**983.43**
Profit for the year	**-**	**986.44**	**986.44**
Other comprehensive income	-	-	-
Less: Final dividend paid including tax		30.00	30.00
Balance as at 31 March 2025	**325.53**	**1,614.34**	**1,939.87**

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

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 25136835BMLYRO6699

Pune
April 17, 2025

For and on behalf of the Board of Directors

A.S. Kirloskar	**C.A. Harper**	**C.M. Mate**
Chairman	Director	Director
DIN: 05324745	DIN: 06700160	DIN: 07399559

Pune
April 17, 2025

Notes to accounts for the year ended 31 March 2025

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 (“the 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) no tified 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 17th April 2025.

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
Certain financial assets and liabilities (refer note no 34)	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. **Current or non-current classification**

All assets and liabilities have been classified as current and non current as per the Company’s normal operation cycle and other criteria as set out in the Division II of Schedule III as amended to the Act.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities for product or service business.

v. **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 obligations

-Estimation for Warranty expenses

-Estimation for trade receivable impairment

-Estimation for diminution in value of inventory.

Notes to accounts for the year ended 31 March 2025

vi. Inventories

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

vii. 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.

viii. 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.

Notes to accounts for the year ended 31 March 2025

Asset category	Life in years	Basis of useful life
Buildings	30	Life as specified in Schedule II to the Act
Life as specified in Schedule II to the Act		
Plant & Equipment	15	
Furniture & Fixtures	10	
Office equipments	5	
Railway Siding	15	
Computers – End user devices such as desktop, laptops etc.	3	

ix. Intangible assets and amortization

- **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. Amorti sation 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.

Contract liabilities:

A contract liability is the obligation to transfer goods to the customer for which the company has received the consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the

Notes to accounts for the year ended 31 March 2025

Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the company performs under the contract.

Financing component:

Generally, the Company receives short term advances from its customers. The Company applies the practical expedient for short term advances received from its customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

b. Other income

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

xii. Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of the funds. Borrowing costs also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expenses in the period in which they are incurred.

xiii. 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).

xiv. 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.

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

Notes to accounts for the year ended 31 March 2025

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.

xv. 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.

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.

xvi. 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

Notes to accounts for the year ended 31 March 2025

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.

xvii. 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.

xviii. 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.

xix. 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

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

Notes to accounts for the year ended 31 March 2025

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.

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.

xx. 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.

xxi. 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 & equipment and other intangible assets

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Tangible Assets								Intangible Assets	
	Freehold Land	**Buildings**	**Plant & Equipment**	**Furniture & Fixtures**	**Office equipments**	**Vehicles**	**Railway Siding**	**Total**	**Computer Softwares**	**Total**
Gross Block										
As at 1 April 2023	120.30	469.26	841.76	26.70	4.53	-	1.86	1,464.41	11.55	11.55
Additions	-	-	74.43	-	0.53	-	0.13	75.09	-	-
Disposals	-	-	55.22	0.08	0.23	-	-	55.53	0.25	0.25
As at 31 March 2024	**120.30**	**469.26**	**860.97**	**26.62**	**4.83**	**-**	**1.99**	**1,483.97**	**11.30**	**11.30**
Additions	-	-	128.68	-	0.81	-	-	129.49	-	-
Disposals	-	-	126.55	10.46	0.28	-	-	137.29	0.80	0.80
As at 31 March 2025	**120.30**	**469.26**	**863.10**	**16.16**	**5.36**	**-**	**1.99**	**1,476.17**	**10.50**	**10.50**
Depreciation/ Amortisation										
As at 1 April 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	53.35	-	-
Depreciation on disposal	-	-	54.48	0.08	0.23	-	-	54.79	0.25	0.25
As at 31 March 2024	**-**	**247.54**	**673.34**	**25.60**	**3.83**	**-**	**1.47**	**951.78**	**11.30**	**11.30**
Charge for the year	-	15.23	39.32	1.02	0.31	-	0.08	55.96	-	-
Depreciation on disposal	-	-	124.31	10.46	0.28	-	-	135.05	0.80	0.80
As at 31 March 2025	**-**	**262.77**	**588.35**	**16.16**	**3.86**	**-**	**1.55**	**872.69**	**10.50**	**10.50**
Net block										
As at 31 March 2024	120.30	221.72	187.63	1.02	1.00	-	0.52	532.19	0.00	0.00
As at 31 March 2025	**120.30**	**206.49**	**274.75**	**0.00**	**1.50**	**-**	**0.44**	**603.48**	**0.00**	**0.00**

Notes:

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

   Company has mortgaged its movable fixed aseets against cash credit limit sanctioned from ICICI Bank - refer note 13

2) **Impairment loss**

   The Company assesses at each balance sheet date whether there is any indication due to internal or external factors that an asset or a group of assets comprising a Cash Generating Unit (CGU) may be impaired and the Company has not found any such indication / situation because of which the assets had to be impaired.

3) **Contractual obligations**

   Refer note 28 for estimated amount of contract remaining to be executed on capital account

4) The title deeds to immovable properties are held in the name of the Company

5) No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to Accounts

Note 3(a) - Capital Work in Progress

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	31st March 2025	31st March 2024
Balance at the beginning	**-**	-
Additions	**170.29**	75.09
Capitalised during the year	**129.49**	75.09
Balance at the end	**40.80**	-

Ageing of CWIP
As at March 2025

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	40.80	-	-	-	40.80
Projects temporarily suspended	-	-	-	-	-

(i) CWIP mainly consist of plant and machinery which are not ready to use as on 31st March, 2025.

(ii) Projects whose completion is overdue or has exceeded its cost compared to its original plan as aon 31st March 2025 - NIL

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 4 : Investments

Particulars	As at 31st March 2025		As at 31st March 2024	
	No of Units	Amount	No of Units	Amount
Current				
Investment in mutual funds - (At fair value through Profit or Loss (FVTPL))				
ABSL Money Manager Fund	**0.59**	**216.46**	0.45	152.61
HSBC Ultra Short Duration Fund	**0.12**	**161.10**	0.08	101.64
Nippon India Money Market Fund	**0.05**	**211.41**	-	-
Mirae Asset Liquid Fund	**0.06**	**156.89**	-	-
Bandhan Money Manager Fund	**2.34**	**100.21**	-	-
Total	**3.16**	**846.07**	0.53	254.25
Aggregate amount of quoted Investments		**846.07**		254.25
Aggregate amount of unquoted Investments		-		-
Aggregate amount of impairment loss		-		-

Note 5 : Financial Assets: Trade receivables

Particulars	31 March 2025	31 March 2024
Non-Current		
Retentions		
Unsecured, considered good	**56.18**	11.20
	56.18	11.20
Current		
Unsecured, considered good		
Retentions	**109.59**	216.90
Trade Receivable from Others	**1,105.01**	484.71
Trade Receivable from Related Party* (Ref: Note 32)	**16.35**	50.34
Unsecured, considered Doubtful - Retention	**7.45**	69.52
Unsecured, considered Doubtful - Others	**40.94**	62.87
	1,279.34	884.34
Less : Loss Allowance (Refer Note 33)	**(48.40)**	(132.38)
	1,230.94	751.96
Total trade receivables	**1,287.12**	763.16

*Includes debts due by firms or companies in which any director is a partner or a director or a member only.

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						
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
	As at March 2025							
1a	Undisputed Trade receivables – Retentions	56.18	-	-	-	-	-	56.18
1b	Undisputed Trade receivables – considered good (external parties)	-	-	-	-	-	-	-
1c	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
3	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**56.18**	**-**	**-**	**-**	**-**	**-**	**56.18**

S. No.	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less Than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	Total
	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)	-	-	-	-	-	-	-
3	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**11.20**	**-**	**-**	**-**	**-**	**-**	**11.20**

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						
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
	As at March 2025							
1a	Undisputed Trade receivables – Retentions	71.46	29.17	1.78	-	8.92	-	111.33
1b	Undisputed Trade receivables – considered good (external parties)	507.90	528.84	20.02	9.93	1.49	1.10	1,069.28
1c	Undisputed Trade receivables – considered good (related parties)	50.34	-	-	-	-	-	50.34
3a	Undisputed Trade Receivables – considered Doubtful (external parties)	-	-	0.30	0.60	5.25	1.30	7.45
3	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	3.41	8.49	11.71	17.33	40.94
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Less: Allowance for Doubtful Debts	-	-	(3.65)	(8.49)	(18.46)	(17.80)	(48.40)
	Total	**629.70**	**558.01**	**21.86**	**10.53**	**8.91**	**1.93**	**1,230.94**

S. No.	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less Than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	Total
	As at March 2024							
1a	Undisputed Trade receivables – Retentions	80.45	11.01	10.77	42.75	3.80	-	148.78
1b	Undisputed Trade receivables – considered good (external parties)	261.54	266.39	10.47	10.14	3.60	0.68	552.82
1c	Undisputed Trade receivables – considered good (related parties)	50.34	-	-	-	-	-	50.34
2	Undisputed Trade Receivables – considered Doubtful (external parties)	-	-	-	4.62	12.37	52.53	69.52
3a	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	1.52	14.06	9.09	38.20	62.87
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	-	-	-	-	-	-	-
	Less: Allowance for Doubtful Debts		(8.32)	-	(13.92)	(19.42)	(90.72)	(132.38)
	Total	**392.33**	**269.08**	**22.76**	**57.65**	**9.44**	**0.69**	**751.95**

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 6 : Financial Assets: Others

Particulars	2024-2025	2023-2024
Non-current		
(a) **Security deposits**		
Unsecured, considered good	**16.59**	14.61
	16.59	14.61
Current		
(a) **Security deposits**		
Unsecured, considered good	**28.73**	19.76
	28.73	19.76
	28.73	19.76
(b) **Interest accrued on Deposits**		
Unsecured, considered good	**0.80**	0.40
	29.53	20.16
Total other financial asset	**46.12**	34.77

Note 7: Income Tax and Deferred Tax

(1) The major components of income tax expense for the period ended 31 March 2025 and 31 March 2024 are:

(a) Profit or loss

Particulars	2024-2025	2023-2024
Current income tax:		
Current income tax charge	**304.00**	162.00
Adjustments in respect of current income tax of previous year	**(10.19)**	(25.55)
Deferred tax:		
Relating to origination and reversal of temporary differences	**34.85**	14.04
Income tax expense reported in the statement of profit or loss	**328.66**	150.49

(b) Other Comprehensive Income

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

Particulars	2024-2025	2023-2024
Income tax charged to OCI	**1.20**	0.96

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 2025 and 31 March 2024

Particulars	2024-2025	2023-2024
Accounting profit before tax	**1,318.66**	609.68
At statutory income tax rate of 25.168% (a)	**331.88**	153.44
Adjustments		
Less: Tax rate adjustment on account of MAT applicability	-	-
Subtotal (b)	**331.88**	153.44
Permanent differences		
Less : Non deductible expenses		
Corporate Social responsibility expenses	**6.70**	-
Subtotal (c)	**(6.70)**	-
Tax impact of above adjustments	**(1.69)**	-
Tax impact on brought forward loss	**-**	
Tax impact on TDS disallowances	**-**	-
Other items	**(5.28)**	22.59
Total (f)	**(6.97)**	22.59
Tax expenses at effective rate (a-f)	**338.85**	176.03
Tax expenses recorded in books	**338.85**	176.04
Tax provision of earlier years	**(10.19)**	(25.55)
Total Tax expense as per books	**328.66**	150.49

Note 7 : Income tax

(2) Movement in deferred tax

(a) Deferred tax relates to the following: DTL/ (DTA)	31 March 2025	31 March 2024
Property, plant and equipment (depreciation)	**24.04**	20.20
Employee benefits - gratuity and compensated absences	**(12.29)**	(11.73)
Provision for doubtful debts	**(12.18)**	(33.32)
Current investment and Unwinding of discount on retetion money receivable	**2.92**	0.72
Others - (DTA)/DTL	**8.09**	1.07
Net deferred tax liabilities/(assets)	**10.58**	(23.06)

Particulars	2024-2025	2023-2024
Property, plant and equipment (depreciation)	**3.84**	0.04
Employee benefits - gratuity and compensated absences (net of OCI Rs. 1,19,702)	**(0.56)**	(0.67)
Provision for doubtful debts and advances	**21.14**	(4.73)
Current investment and Unwinding of discount on retetion money receivable	**2.21**	17.73
Others - (DTA)/DTL	**7.02**	0.72
Deferred tax expense/(income)	**33.65**	13.09

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

(b) Reflected in balance sheet as	31 March 2025	31 March 2024
Deferred tax asset	**(27.72)**	(43.26)
Deferred tax liability	**38.30**	20.20
Matching with note 2(a) above	**10.58**	(23.06)
Net Deferred tax asset	**10.58**	(23.06)

(3) Movement in current tax	31 March 2025	31 March 2024
Non Current tax (asset)/ liability as at beginning of period	**17.20**	(16.85)
Add: Additional provision during the year - Statement of Profit and loss account	**293.81**	136.45
Add: Provision for Interest on income tax of earlier made during the year	**6.70**	-
Add: Additional provision during the year - Other comprehensive income	**-**	-
Refund Received during the year	**(335.45)**	(102.40)
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	**(17.74)**	17.20

Reflected in balance sheet as	31 March 2025	31 March 2024
Provision for income tax	**304.00**	162.00
Current advance tax	**320.30**	144.80
Non- current advance tax (net of provision)	**1.44**	-
	(17.74)	17.20

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 8 : Other assets

Particulars	31 March 2025	31 March 2024
Non-current		
(a) Prepaid expenses	**2.45**	3.50
(b) Advance income tax (net of provision)	**17.73**	1.45
(c) Capital advances	**4.89**	-
	25.07	4.95
Current		
(a) Advances to supplier and others	**9.22**	15.69
(b) Prepaid expenses	**3.57**	3.33
(c) Claims receivable (indirect taxes)	**79.87**	75.22
	92.66	94.24
Total other asset	**117.73**	99.19

There are no 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.

Note 9 : Inventories

Particulars	31 March 2025	31 March 2024
(a) Raw Materials *	**294.07**	247.66
(b) Finished goods	**258.22**	120.79
(c) Packing Material	**6.95**	7.18
(d) Stores, spares and consumables	**112.42**	112.90
(Refer Note 2 (v) for Mode of valuation)	**671.66**	488.53

* Includes goods in transit of Rs. **NIL** /- (Rs.NIL /-).

Amounts recognised in profit or loss

Write-down of inventories to net realisable value (net of reversal) amounted to Rs. 2.31/- (31st March 2024: Rs. 1.42/-) These were recognised as an expenses during the year and included in material consumption

Significant judgement: the management based on assessment of factors like ageing of the inventory, net realisable value and usability makes a provision for write down in value of inventory which involves judgement.

Refer note 13 for details of inventory pledged as security

Note 10 : Cash and cash equivalents

Particulars	31 March 2025	31 March 2024
(a) Balances with bank		
In current account	**147.92**	61.21
In fixed deposit	**-**	150.00
(b) Cash on hand	**0.36**	0.50
	148.28	211.71

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

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 11: Equity share capital

Particulars	31 March 2025	31 March 2024
Authorised		
60.00 Lakhs (60.00Lakhs) equity shares of Rs.10/- each (Rs.10/-) each	**600.00**	600.00
Issued, subscribed & fully paid up		
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.

For the year ended 31st March 2025, the board of directors have proposed dividend of Rs. 2/- (2023-24 : Rs.0.60/-) per share subject to shareholders' approval.

b) **Reconciliation of share capital**

Particular	31 March 2025		31 March 2024	
	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 2025		31 March 2024	
	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%

d) **Promoters shareholding**

As at March 2025

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**		

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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**		

In last five years the Company has neither issued any bonus shares nor share issued for consideration other than cash. Further the Company has not bought back any shares in last five years.

Note 12: Other equity

Particulars	**31 March 2025**	31 March 2024
(a) **General reserves**		
Opening balance	**325.53**	325.53
Add: Transfer from retained earnings	**-**	-
	325.53	325.53
(b) **Retained Earnings**		
Opening balance	**657.90**	201.57
Add: Total comprehensive income for the year	**986.44**	456.33
Balance available for appropriation	**1,644.34**	657.90
Less: Appropriations : Final dividend paid including tax	**30.00**	-
Transfer to general reserve	**-**	-
Sub total	**30.00**	-
Closing balance	**1,614.34**	657.90
Total other equity	**1,939.87**	983.43

Nature and purpose of reserves

General Reserves

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 13 : Financial Liabilities: Borrowings

Particulars	31 March 2025	31 March 2024
Non Current		
Secured		
Term Loans from bank	-	36.40
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., to be repaid in 5 years.		
Less- Current maturities of non current borrowings	-	(18.27)
	-	18.13
Current		
Secured		
Loans repayable on demand from bank		
Cash Credit facilities	-	-
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
	-	18.27
Total borrowings	-	36.40

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 14 : Financial Liabilities: Trade payables

Particulars	31 March 2025	31 March 2024
Non Current		
Retention money payable		
Total outstanding dues of micro enterprises & small enterprises (refer note 39)	**62.98**	1.38
Total outstanding dues of creditors other than micro enterprises & small enterprises	**19.25**	39.47
	82.23	40.85
Current		
Total outstanding dues of micro enterprises & small enterprises (refer note 39)	**124.64**	53.80
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Payable to Related parties (refer note 32)	**34.16**	10.26
Payable others	**386.20**	419.05
	545.00	483.11
Total trade payable	**627.23**	523.96

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 2025						
1	**MSME**	**62.98**	**-**	**-**	**-**	**-**	**62.98**
2a	**Others (external parties)**	**19.25**	**-**	**-**	**-**	**-**	**19.25**
2b	**Others (related parties)**	**-**	**-**	**-**	**-**	**-**	**-**
3	**Disputed Dues – MSME**	**-**	**-**	**-**	**-**	**-**	**-**
4	**Dispute Dues - Others**	**-**	**-**	**-**	**-**	**-**	**-**
	Total	**82.23**	**-**	**-**	**-**	**-**	**82.23**
	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

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				
			Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
	As at March 2025						
1	**MSME**	**124.64**	**-**	**-**	**-**	**-**	**124.64**
2a	**Others (external parties)**	**322.77**	**58.67**	**0.94**	**1.60**	**2.22**	**386.20**
2b	**Others (related parties)**	**-**	**34.16**	**-**	**-**	**-**	**34.16**
3	**Disputed Dues – MSME**	**-**	**-**	**-**	**-**	**-**	**-**
4	**Dispute Dues - Others**	**-**	**-**	**-**	**-**	**-**	**-**
	Total	**447.41**	**92.83**	**0.94**	**1.60**	**2.22**	**545.00**
	As at March 2024						
1	MSME	53.80	-	-	-	-	53.80
2a	Others (external parties)	312.26	96.77	3.61	3.66	2.75	419.05
2b	Others (related parties)	-	10.26	-	-	-	10.26
3	Disputed Dues – MSME	-	-	-	-	-	-
4	Dispute Dues - Others	-	-	-	-	-	-
	Total	366.06	107.03	3.61	3.66	2.75	483.11

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 2025	31 March 2024
Current		
(a) Interest Accured but not due on borrowings	**-**	0.17
(b) Others		
i) Salary & reimbursements	**98.95**	72.61
ii) Dealer deposit	**8.50**	9.00
iii) Payables on account of purchases of fixed assets	**16.86**	17.55
iv) Payables on account of purchases of fixed assets-MSME	**37.88**	-
v) Provision for expenses	**10.89**	11.21
Total other financial liabilities	**173.08**	110.54

Terms and conditions of the above financial liabilities:

i) For explanations on the financial risk management policies, refer to Note 35.

Note 16: Other Current liabilities

Particulars	31 March 2025	31 March 2024
Current		
(a) Contract Liability (Advance from customer)	**415.87**	162.65
(b) Statutory dues	**26.69**	12.51
Total other liabilities	**442.56**	175.16

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 17: Provisions

Particulars	31 March 2025	31 March 2024
Non-current		
a) **Provision for employee benefits**		
Compensated absences (Refer Note 33)	**28.05**	20.13
b) **Other provision**		
Provision for product warranty (refer note 33)	**6.49**	6.94
	34.54	27.07
Current		
a) **Provision for employee benefits**		
Compensated absences (Refer Note 33)	**19.53**	17.00
Gratuity (Refer Note 31)	**12.01**	10.33
b) **Other provision**	**1.86**	5.77
Provision for product warranty (Refer Note 33)	**33.40**	33.10
Total provisions	**67.94**	60.17

Note 18: Current tax liabilities (net)

Particulars	31 March 2025	31 March 2024
Current		
(a) Income tax provision for the year	-	162.00
Less : Tax deducted at source & advance income tax paid	-	144.80
Total	-	17.20

Note 19: Revenue from Operations

Particulars	2024-25	2023-24
Revenue from contracts with Customers (refer note 41)		
Sales of product	**639.51**	955.98
Sales of services	**5,362.22**	3,093.17
	6,001.73	4,049.15
Other operating revenues		
Sale of scrap	**10.58**	4.50
Bad debts recovered	**0.10**	-
	6,012.41	4,053.65

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 20: Other Income

Particulars	2024-25	2023-24
Interest Income		
From customers and others	**6.48**	4.68
On income tax refund	**0.53**	-
Unwinding of discount & effect of changes in discount rate on retention money	**21.00**	4.24
Other non-operating income		
Provision no longer required written back	**5.77**	10.84
Unrealised gain valuation of Investment measured at fair value through profit and loss account	**20.27**	4.25
Profit on sale of property, plant & equipment	**9.98**	1.30
Income tax refund on earlier years	**-**	32.77
Profit on sale of Investment measured at fair value through profit and loss account	**21.55**	-
Other miscellaneous income	**-**	0.32
	85.58	58.40

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

Particulars	2024-25	2023-24
Raw materials consumed	**1,450.07**	1,057.62
Changes in inventories of finished goods		
Opening Stock		
Finished goods	**120.79**	159.72
Closing Stock		
Finished goods	**258.21**	120.79
	(137.42)	38.93

Note 22: Employee benefits expense

Particulars	2024-25	2023-24
Salaries, wages and bonus	**468.55**	383.83
Defined contribution plans		
Contribution to provident fund, super annuation fund and employees state insurance scheme	**26.04**	21.23
Defined benefit plans		
Gratuity (refer note 31)	**6.87**	5.97
Welfare expenses	**1.52**	2.15
	502.98	413.18

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 23: Finance costs

Particulars	2024-25	2023-24
Interest expense		
Interest on borrowings from bank	**0.23**	9.68
Unwinding of discount & effect of changes in discount rate on warranty & Retetion (trade receivables)	**12.30**	2.23
Interest on defined benefit obligation(Net)" of gratuity expenses	**0.38**	0.54
Other borrowing costs		
(includes discounting interest on invoices, bank guarantee commission, LC charges, loan processing charges)	**37.78**	26.73
	50.69	39.18

Note 24: Depreciation

Particulars	2024-25	2023-24
Depreciation on property, plant and equipment	**55.96**	53.36
	55.96	53.36

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 25: Other expenses

Particulars	2024-25	2023-24
Stores and spares consumed	**522.72**	358.17
Processing charges (application charges)	**1,650.92**	962.27
Power & fuel	**41.02**	42.50
Repairs and maintenance		
Plant and machinery	**54.17**	58.19
Buildings	**9.03**	10.10
Other	**0.48**	-
Rent (Usage of infrastructure)	**12.79**	18.79
Rates and taxes	**3.97**	4.92
Travel and conveyance	**239.48**	166.92
Communication expenses	**3.49**	2.72
Insurance	**13.37**	13.15
Directors' sitting fees	**1.13**	1.35
Freight and forwarding charges	**82.93**	63.31
Brokerage and commission	**16.38**	22.68
Advertisements and publicity	**3.33**	2.90
Provision for product warranty	**3.44**	0.88
Loss on sale/disposal of fixed assets	**1.98**	0.62
Provision for doubtful debts	**(83.98)**	18.80
Bad debts written off (refer note 33 b)	**98.25**	7.41
Auditor's remuneration (refer note 29)	**6.37**	6.26
Professional, consultancy and legal expenses	**20.83**	20.44
Security services	**16.30**	15.33
Computer services	**32.49**	22.97
Corporate social responsibility - (refer note 40)	**6.70**	-
Stationery & printing	**5.88**	5.91
Training course expenses	**10.22**	5.54
Outside labour charges	**43.18**	43.98
Foreign exchange loss (net)	**14.92**	12.61
Bank charges	**-**	-
Other miscellaneous expenses	**25.26**	11.38
	2,857.05	1,900.10

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	2024-2025	2023-2024
Remeasurements gains and (losses) on post employments benefits	**(4.76)**	(3.82)
Tax on remeasurements gains and losses	**1.20**	0.96
	(3.56)	(2.86)

Note : 27 Contingent liabilities

Particulars	31 March 2025	31 March 2024
(a) Claims against the company not acknowledged as debt;		
Goods and Service Tax (Matter Subjudice)	**25.22**	-
	25.22	-

Note : 28 Commitments

Particulars	31 March 2025	31 March 2024
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**2.21**	12.51
	2.21	12.51

Note : 29 Remuneration to Auditors

Particulars	31 March 2025	31 March 2024
Statutory Auditors :		
a) Statutory and tax audit fees	**5.10**	4.90
b) Tax consultancy fees	**1.00**	1.00
d) Certification services	**0.10**	0.24
d) Expenses reimbursed	**0.17**	0.12
Sub total	**6.37**	6.26

Note : 30 Earning per Share (Basic and diluted)

Particulars	31 March 2025	31 March 2024
a) Profit for the year before tax	**1,318.66**	609.68
Less : Attributable Tax thereto	**328.66**	150.49
Profit after Tax	**990.00**	459.19
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	**19.80**	9.18

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.26.04/- in F.Y: 2024-25 (Rs.21.23/- in F.Y: 2023-24) 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 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
A.	**Amount to be recognised in Balance Sheet**		
	Present Value of Defined Benefit Obligation at the end of period	**94.46**	78.96
	Less: Fair Value of Plan Assets at the end of period	**82.45**	68.64
	Amount to be recognised as liability or (asset)	**12.01**	10.32
B.	**Amounts reflected in the Balance Sheet**		
	Provisions (refer note 17)	**12.01**	10.32
	Current asset	**-**	-
	Net Liability/(Asset)	**12.01**	10.32

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

	Particulars	31 March 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
1	Current Service Cost	**6.88**	5.97
2	Acquisition (gain)/ loss	**-**	-
3	Past Service Cost	**-**	-
4	Net Interest (income)/expenses	**0.37**	0.55
5	Actuarial Losses/(Gains)	**-**	-
6	Curtailment (Gain)/ loss	**-**	-
7	Settlement (Gain)/loss	**-**	-
8	Others	**-**	-
	Net periodic benefit cost recognised in the statement of profit & loss (refer note 22)	**7.25**	6.52

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

	Particulars	31 March 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
1	Opening amount recognised in OCI outside profit and loss account	**(9.83)**	(13.64)
2	Remeasurements for the year - Obligation (Gain)/loss	**2.93**	3.27
3	Remeasurement for the year - Plan assets (Gain) / Loss	**1.82**	0.54
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	**(5.08)**	(9.83)
5	Less: Accumulated balances transferred to retained earnings		-
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI (refer note 26)	**4.75**	3.81
	Closing balances (remeasurement (gain)/loss recognised OCI	**(5.08)**	(9.83)

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 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
1	Balance of the present value of Defined benefit Obligation at the beginning period	78.96	64.92
2	Acquisition adjustment	-	-
3	Transfer in/ (out)	-	-
4	Interest expenses	5.69	4.80
5	Past Service Cost	-	-
6	Current Service Cost	6.88	5.97
7	Curtailment Cost / (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Benefits paid	-	-
10	Remeasurements on obligation - (Gain) / Loss	2.93	3.27
	Present value of obligation as at the end of the period	94.46	78.96

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 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
1	Fair value of the plan assets as at beginning of the period	68.64	50.13
2	Acquition adjustment	-	-
3	Transfer in/(out)	-	-
4	Interest income	5.31	4.26
5	Contributions	10.33	14.79
6	Benefits paid	-	-
7	Amount paid on settlement		
8	Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(1.82)	(0.54)
9	Fair value of plan assets as at the end of the period	82.46	68.64

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

	Particulars	31 March 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
1	Interest (Income) / Expense – Obligation	5.69	4.80
2	Interest (Income) / Expense – Plan assets	(5.31)	(4.26)
3	Net Interest (Income) / Expense for the year	0.38	0.54

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

Particulars	31 March 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
Experience(Gain)/Loss on plan liabilities	1.01	2.36
Demographic (Gain)/Loss on plan liabilities	(0.55)	-
Financial (Gain)/Loss on plan liabilities	2.47	0.92
Experience(Gain)/Loss on plan assets	1.68	0.83
Financial (Gain)/Loss on plan assets	0.15	(0.29)

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 2024-25	Percentage 2023-24
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 **7.20% in F.Y: 2024-25** (7.40% in F.Y: 2023-24) has been used for the valuation purpose.

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

Particulars	31 March 2025 Gratuity Plan (Funded)	31 March 2024 Gratuity Plan (Funded)
Defined Benefit Obligation	**94.46**	78.96
Plan Assets	**82.45**	68.64
(Surplus)/Deficit	**12.01**	10.32

Significant estimates

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

1 Discount rate as at 31-03-2025- 6.70% (7.20% in F.Y: 2023-24)

2 Expected return on plan assets as at 31-03-2025 - 7.20% (7.40% in F.Y: 2023-24)

3 Salary growth rate as at 31-03-2025: 10.00% (10.00% in F.Y: 2023-24)

4 Attrition rate as at 31-03-2025: 11.00% (10.00% in F.Y: 2023-24)

5 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 goverment. wherein the beneficiaries are entitled to defined monthly pension.

l) The Company has contributed 10.33 Lakhs to its gratuity fund in 2024-2025.The Company expects to fund Rs. 12.01 Lakhs towards its gratuity plan in the year 2025-26.

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 2025**	Effect on Gratuity obligation As at 31 March 2024
1	**Discount rate**		
	Increase by 1% to 7.70%	**89.62**	74.55
	Decrease by 1% to 5.70%	**99.77**	83.82
2	**Salary increase rate**		
	Increase by 1% to 11.00%	**98.65**	82.90
	Decrease by 1% to 9.00%	**90.54**	75.30
3	**Withdrawal rate**		
	Increase by 1% to 12.0%	**93.83**	78.45
	Decrease by 1% to 10.0%	**95.14**	79.52

Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 6.86 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
2026	9.75
2027	16.24
2028	26.46
2029	8.05
2030	10.43
2031-2035	68.95

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

a. Asset liability Mismatch Risk

b. Discount Rate Risk

c. 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

(A) Names of the related party and nature of relationship where control exists

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	
7	Mr. C. M. Mate	

(C) Disclosure of related parties transactions

Sr No	Nature of transaction/ relationship/major parties	2024-2025		2023-2024	
		Amount	**Amount for Major parties**	Amount	Amount for Major parties
1	**Purchase of goods**	**96.93**		104.01	
	Kirloskar Brothers Limited		-		1.69
	Corrocoat Limited, UK		**96.93**		102.32
2	**Revenue from contracts with Customers**	**298.14**			406.08
	Kirloskar Brothers Limited		**298.14**		405.83
	Karad Projects & Motors Limited		-		-
	Kirloskar Ebara Pumps Limited		-		0.25
3	**Receiving Services**	**62.29**		59.51	
	Kirloskar Brothers Limited		**61.29**		58.51
	Corrocoat Limited, UK		**1.00**		1.00
4	**Reimbursement of Expenses**	**6.19**		15.01	
	Kirloskar Brothers Limited		-		8.02
	Corrocoat Limited, UK		**6.19**		6.99
4	**Receipt Reimbursement of Expenses**	-		-	
	Kirloskar Brothers Limited				
5	**Dividend Paid**	**30.00**			
	Kirloskar Brothers Limited		**19.50**		-
	Corrocoat Limited, UK		**10.50**		-
6	**Payment to Key Management Personnel**	**1.14**		1.35	
	Sitting Fees				
	Mr. Alok Kirloskar		**0.38**		0.45
	Mr. Clive Harper		**0.38**		0.45
	Mr. C M Mate		**0.38**		0.45

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	2024-25		2023-24	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	**Accounts receivable** (on account of sale of goods and services)				
	Kirloskar Brothers Limited	16.35	50.05		
	Kirloskar Ebara Pumps Limited	-	0.30		
	TOTAL	**16.35**		**50.35**	
2	**Amount Due** (on account of purchase of raw material goods & receipt of services)				
	Kirloskar Brothers Limited		32.49		-
	Corrocoat Limited, UK		1.67		10.26
	TOTAL	**34.16**		**10.26**	

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 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
Add: Provision during the year 2024-25	**3.44**
Less: Amount reversed during the year 2024-25	**(5.77)**
Net provision for the year	**(2.33)**
Add: Unwinding of discounts	**(0.60)**
Less: Amount utilised during the year 2024-25	**(1.42)**
Carrying amount as at 31 March 2025	**8.36**

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Significant Estimate

The Company offers upto 5 years warraties 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 2023	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)
Less: Provision reversed during 2023-24	-
Carrying amount as at 31 March 2024 (refer note 5)	132.38
Add: Provision during 2024-25	**17.79**
Less: Provision reversed during 2024-25	**(3.52)**
Net provision for the year	**14.27**
Less: Provision utilized towards Bad debt during 2024-25	**(98.25)**
Carrying amount as at 31 March 2025 (refer note 5)	**48.40**

c.

Particulars	Provision for Compensated Absences
Carrying amount as at 1 April 2023	32.56
Add: Provision during 2023-24	4.69
Less: Provision reversed during 2023-24	
Net provision for the year	37.25
Less: Amount utilised during the year	(0.13)
Carrying amount as at 31 March 2024	37.12
Add: Provision during 2024-25	**13.46**
Less: Provision reversed during 2024-25	**(2.86)**
Net provision for the year	**47.72**
Less: Amount utilised during the year	**(0.16)**
Carrying amount as at 31 March 2025	**47.56**

Significant Estimation of long term employee benefit:

The cost of long term employee benefit and present value of such obligations are determined using acturial valuation. An acturial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of discount rate, future salary increases, expected rate of return on planned assets and attrition rate. Due to long term nature of these benefits, such estimates are subject to signifcant uncertainity. All assumptions are reviewed at each reporting date.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note : 34 Fair Value Measurements

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised & measured at i. fair value ii. measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified them into Level 1 to Level 3 as required by the accounting standard and described in the material accounting policies of the Company. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements (if any).

	Particulars	Carrying value	
		31 March 2025	31 March 2024
	At level 1		
a)	**Carried at fair value through Profit and loss (FVTPL)**		
	Investment in mutual funds	**846.07**	254.25
	Levelled at Level 2		
	Financial Assets	**-**	-
b)	**Carried at amortised cost**		
	Trade receivable	**1,287.12**	763.16
	Other financial assets	**46.12**	34.77
	Cash and cash equivalent	**148.28**	211.71
	Levelled at Level 2		
	Financial Liabilities	-	-
c)	**Carried at amortised cost**		
	Interest bearing borrowings	**-**	36.40
	Trade payable	**627.23**	523.96
	Other current financial liabilities	**173.08**	110.54

Valuation techniques used to determine the fair value of each financial instrument:

Fair value of assets classified at amortised cost:

The management assessed that the fair value of cash and cash equivalent, other bank balances, corporate deposits, trade receivables, current loans, current other financial asset, borrowings, trade payable and other current financial liabilities approximate their carrying amount largely due to short term maturities of these instruments.

Carrying value of non-current financial liabilities are considered to be same as their fair value due to discounting at rate which are an approximation of incremental borrowing rate.

Further, company’s non-current financial assets are appearing in the books at fair value since the same are interest bearing hence discounting of the same is not required.

Fair value of assets classified at FVTPL:

Fair value of investment in quoted mutual funds are determined using quoted price (i.e. NAV) at the reporting date.

During the year ended 31st March 2025, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

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, investments, 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 intial 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-2025	31-Mar-2024
Interest bearing borrowings		
On demand	-	-
Less than 180 days	-	9.14
181 - 365 days	-	9.13
More than 365 days	-	18.13
Total	-	36.40
Other liabilities		
On demand	**8.50**	9.00
Less than 180 days	**164.58**	101.37
181 - 365 days	-	-
More than 365 days	-	-
Total	**173.08**	110.37
Trade & other payables		
On demand		
Less than 180 days	**545.00**	482.48
181 - 365 days	-	0.63
More than 365 days	**82.23**	40.85
Total	**627.23**	523.96

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

	31 March 2025	31 March 2024
Expiring within one year	**500.00**	500.00
Expiring beyond one year	-	-

Provision for Expected lifetime losses

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

Exposure to Risk	31 March 2025	31 March 2024
Trade Receivables	**1,335.52**	895.54
Less : Loss Allowance	**48.40**	132.38
	1,287.12	763.16

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

Trade Receivables	31 March 2025	31 March 2024
Neither past due nor impaired	**685.88**	403.53
Past due but not impaired		-
Less than 180 days	**558.01**	277.40
181 - 365 days	**21.80**	21.24
More than 365 days	**21.44**	60.97
Credit Impaired /doubtful	**48.40**	132.38
Total	**1,335.53**	895.52

Reconciliation of loss provision (refer note 5)

Particulars	Trade receivables
Loss allowance as at 1 April 2023	113.58
Changes in loss allowance	18.80
Loss allowance as at 31 March 2024	132.38
Changes in loss allowance	**(83.98)**
Loss allowance as at 31 March 2025	**48.40**

(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 2025	31 March 2024	31 March 2025	31 March 2024
Trade Payables	GBP	**0.01**	0.54	**0.67**	54.57

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency		Amount in INR	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
GBP	**0.01**	0.54	**0.67**	54.57

Sensitivity Analysis

Currency	Amount in INR		Sensitivity %	Sensitivity %
	2024-25	2023-24	2024-25	2023-24
GBP	**0.67**	54.57	**4.91%**	3.25%
Total	**0.67**	54.57	**4.91%**	3.25%

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2024-25	2023-24	2024-25	2023-24
GBP	**(0.00)**	(0.02)	**0.00**	0.02
Total	**(0.00)**	(0.02)	**0.00**	0.02

GBP - Great Britain Pound

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note : 36 Capital management

(a) Risk management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt (total borrowings net of cash and cash equivalents) divided by total capital plus net debt. Company's policy is to keep the gearing ratio below 15%.

The gearing ratios were as follows:

Particulars	31 March 2025	31 March 2024
Loans and borrowings	**-**	36.40
Less: Cash and cash equivalents	**148.28**	211.71
Net debt	**(148.28)**	(175.31)
Equity	**2,439.87**	1,483.43
Gearing ratio	**(0.06)**	(0.12)

B Dividend

	Particulars	31 March 2025	31 March 2024
(i)	Equity Shares (nos)	**50.00**	50.00
	Final dividend for the year ended 31 March 2025 is INR 2.00 (31 March 2024 INR 0.60) per fully paid share)	**100.00**	30.00
	Interim dividend for the year ended 31 March 2025 is INR NIL (31 March 2024 INR NIL) per fully paid share	**NIL**	NIL
(ii)	Dividends not recognised at the end of the reporting period	**NIL**	NIL

Since year end the directors have recommended the payment of a final dividend of Rs.2.00/- per fully paid equity share (31 March 2024 - Rs0.60/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 37 : Ratios

	Ratios Particulars	For the year 2024-25			For the year 2023-24			Variance (%)	Reason for variance more than 25%
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
1	**Current Ratio** [Current assets / current Liability]	**3,019.14**	**1,194.04**	**2.53**	1,820.85	837.38	2.17	16.28	
2	**Debt-Equity Ratio** [Debt/Equity]	**-**	**2,439.87**	**-**	36.40	1,483.43	0.02	(100.00)	The debt being repaid using surplus funds & no utilization of cash credit and hence the ratio has improved.
3	**Debt Service Coverage Ratio** [PBIDT/Interest+Interest Due]	**1,427.29**	**50.69**	**28.16**	702.84	39.18	17.94	56.96	For previous year there was profit of Rs. 459.21 lakhs but for the year there is profit of Rs. 990.00 lakhs. This has impacted the PBDIT
4	**Return on Equity Ratio** [(PAT)/(Total op. Equity+Total cl. Equity)/2]	**990.00**	**1,961.65**	**0.50**	459.19	1,255.28	0.37	37.96	For previous year there was profit of Rs. 459.21 lakhs but for the year there is profit of Rs. 990.00 lakhs. This has impacted the PBDIT and correspondingly impacted the return on equity.
5	**Inventory Turnover** [Consumption /(op. Inventiry+cl. Inventory)/2]	**1,312.65**	**580.10**	**2.26**	1,096.55	487.97	2.25	0.70	
6	**Trade Receivables Turnover** [Sales / (op. receivable+cl. Receivables)/2]	**6,012.41**	**1,025.14**	**5.86**	4,053.65	818.39	4.95	18.41	
7	**Trade Payable Turnover** [Consumption/(op.payables+-cl. Payables)/2]	**1,312.65**	**575.60**	**2.28**	1,096.55	490.81	2.23	2.07	
8	**Net Capital Turnover ratio** [Sales/Working Capital]	**6,012.41**	**1,825.10**	**3.29**	4,053.65	983.47	4.12	(20.08)	
9	**Net profit Ratio** [PAT/Sales]	**990.00**	**6,012.41**	**0.16**	459.19	4,053.65	0.11	45.36	For previous year there was profit of Rs. 459.21 lakhs but for the year there is profit of Rs. 990.00 lakhs. This has impacted to improve the ratio.
10	**Return on Capital Employed** [PBIT/TCE=(NW-DTA+debt+DTL)]	**1,369.35**	**2,439.87**	**0.56**	648.86	1,496.77	0.43	29.46	For previous year there was profit of Rs. 459.21 lakhs but for the year there is profit of Rs. 990.00 lakhs. This has impacted improve the ratio
11	**Return on Investment (Liquid Funds)** [ROI=Interest received / Average Fix deposits]	**41.82**	**550.16**	**0.08**	4.25	127.12	0.03	127.39	For previous year there was less investment & the investment is in FD. For current year investment is high & investment done in Mutual funds whichle results higer returns
12	**Return on Investment (Fixed Funds)** [ROI=Interest received / Average Fix deposits]	**5.71**	**75.00**	**0.08**	4.17	75.00	0.06	36.75	For previous year there was less investment & the investment is in FD. For current year investment is high & investment done in Mutual funds whichle results higer returns

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 2025	31 March 2024
Total outstanding amount in respect of micro, small and medium enterprises	**225.50**	55.18
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

Particulars	31st March 2025	31st March 2024
Contributions to Vikas Charitable Trust	**2.70**	Nil
Others	**4.00**	Nil
Total	**6.70**	Nil
Amount required to be spent as per Section 135 of the Act		
(a) amount required to be spent by the company during the year	**6.70**	Nil
(b) amount of expenditure incurred	**6.70**	Nil
(c) shortfall/(excess) at the end of the year	**Nil**	Nil
(d) total of previous years shortfall/(excess)	**Nil**	Nil
(e) reason for shortfall	**NA**	NA
(f) nature of CSR activities	**Health and education**	NA
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	**NA**	NA
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**Nil**	Nil

Note 41 : Disclosure pursuant to Ind As 115 "Revenue from contract with customer"

a) Disaggregation of revenue

Particulars	Revenue as per Ind AS 115	
	2024-25	2023-24
Domestic	**6,001.73**	4,044.87
Exports	**-**	4.27
Total	**6,001.73**	4,049.14

b) Information about performance obligation

The company is in the business of application of anti-corrosive paint on various equipment. It also undertakes turnkey 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.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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.

c) **Contract balances**

Particulars	**As at 31st March, 2025**		As at 31st March, 2024	
	Contract assets	**Contract liabilities**	Contract assets	Contract liabilities
Opening balance	**-**	**162.65**		46.60
Amount recognised in revenue		**643.75**		294.15
Amunt received in advance during the reporting year		**896.97**		410.20
Revenue recognised out of deffered revenue		**-**		-
Revenue deffered due to non-fulfilment of performance obligation		**-**		-
Closing balance	**-**	**415.87**	-	162.65
Bifurcation of contract liabilities				
Advance from customers				
Current	**-**	**415.87**		162.65
	-	**415.87**		162.65
Deferred revenue				
Current	**-**	**-**		
Non current	**-**	**-**		
	-	**-**		

d) **Cost to obtain contracts**

(i) Amount of amortization recognized in Profit & Loss during the year Rs. Nil (For Previous year Rs. Nil)

(ii) Amount recognized as assets as at 31st March, 2025: Rs. Nil (For Previous year Rs. Nil)

e) **Reconciliation of contracted price with revenue during the year**

Particulars	**2024-25**	2023-24
Contract price	**6,005.95**	4,049.14
Adjustment for: Contract liabilities: Discounts, Incentives & Late delivery charge	**(4.22)**	-
Revenue from contracts with customers	**6,001.73**	4,049.14

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

f) **Remaining performance obligation :** As on 31st March, 2025 the company has unsatisfied performance obligation of Rs.2324.23 (Rs.1963.09) which is expected to convert in to revenue as follow:

Ageing of Performance Obligation as on 31st March 2025

Particulars	upto 1 Year	from 1 to 3 Years	from 3 to 5 years	Beyond 5 years
Transaction price allocated to the remaining performance obligation	**1,503.44**	**820.79**		

Ageing of Performance Obligation as on 31st March 2024

Particulars	upto 1 Year	from 1 to 3 Years	from 3 to 5 years	Beyond 5 years
Transaction price allocated to the remaining performance obligation	1,095.60	867.49		

Note 41 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 42 : 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 wherever applicable.

Note 43 : Transactions with Struck off Companies :

The Company does not have any transactions with struck off companies

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.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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.

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

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 25136835BMLYRO6699

Pune
April 17, 2025

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

Pune
April 17, 2025

KIRLOSKAR CORROCOAT PRIVATE LIMITED

Kirloskarvadi, Dist. Sangli 416 308 (India)

Registered and Corporate office: Udyog Bhavan, Tilak Road, Pune - 411002

Phone: +91 20 2444 4444 | **Email:** enquiry@kicopl.com | **Website:** www.kicopl.com

CIN.: U28920PN2006PTC022240