

SAFEGUARDING BEYOND THE SURFACE

ANNUAL REPORT 2025-2026



Annual Report for the financial year ended on 31st March 2026

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		Contents	Page No.
20 th Annual General Meeting		Notice	02
Day & date	: Thursday, the 14 th May, 2026	Board Report	04
Time	: 02.00 P.M.	Auditors' Report	10
Venue	: Kirloskar Brothers Limited, 'Yamuna', S.No. 98 (3-7), Baner, Pune 411 045	Balance Sheet	18
		Profit and Loss Account	19
		Cash Flow Statement	20
		Notes to the Accounts	22

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of Kirloskar Corrocoat Private Limited will be held at 02.00 p.m. on Thursday, the 14th day of May, 2026 at Kirloskar Brothers Limited, 'Yamuna', S. No. 98 (3-7), Baner, Pune 411 045 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at March 31, 2026, Board's Report and the Auditors' Report thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2025-26.
3. To appoint a director in place of Mr. Chittaranjan Mate (DIN: 07399559), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint P. G. Bhagwat LLP as Auditors for a period of 5 years from conclusion of this Annual General Meeting till conclusion of 25th Annual General Meeting of the Company and to fix their remuneration.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Board of Directors, P. G. Bhagwat LLP (Firm Registration No. 101118W/ W100682) be and are hereby appointed as Statutory Auditors of the Company to hold the office for a term of five (5) years, from the conclusion of 20th Annual General Meeting till the conclusion of 25th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to fix the remuneration plus out of pocket, traveling and any other expenses, etc. if any, as may be mutually agreed upon and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

Alok Kirloskar
Chairman
DIN 05324745

Date : 22nd April 2026

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.

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. Chittaranjan M. Mate (aged 69) is a Non-Executive Director on the Board of the Company. He is liable to retire 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.

He holds Bachelor degree in Commerce and is a Chartered Accountant. He has experience of over 45 years in Finance. He is working with Kirloskar group since September 1986. He has served as Senior Vice President (Finance) and Chief Financial Officer (CFO) of Kirloskar Brothers Limited (KBL), the holding company for 10 years. Before joining KBL in 2015, he had worked with Kirloskar Ebara Pumps Limited, a joint venture company of KBL. He has handled various assignments in Finance as well as other departments such as Purchase, Admin, IT etc. Before joining Kirloskar group, he had worked in audit firms and some other manufacturing companies.

He is on the Board of Karad Projects and Motors Limited, Kirloskar Brothers (Thailand) Limited and SPP Pumps (Asia) Limited, subsidiaries of KBL. He is a member of Corporate Social Responsibility Committee of Karad Projects and Motors Limited.

He holds 10 equity shares of the Company as joint holder with KBL. He has attended all 4 (Four) Board Meetings held during the year.

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 deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the resolution except the director himself.

By order of the Board of Directors

For KIRLOSKAR CORROCOAT PRIVATE LIMITED

Alok Kirloskar

Chairman

DIN 05324745

Date : 22nd April 2026

BOARD'S REPORT

The Members of the Company,

Your Directors present the 20th Annual Report and Audited Accounts of the Company for the year ended March 31, 2026.

1. FINANCIAL PERFORMANCE

The financial results of the Company for the year 2025-26 as compared with the previous year, are as under-
(Rs. in Lakhs)

Particulars	Current Year ended March 31, 2026	Previous Year ended March 31, 2025
Revenue from Operations	6,767.88	6,012.41
Other Income	91.77	85.58
Total Income	6,859.65	6,097.99
Profit (Loss) Before Tax	1,414.50	1,318.66
Tax Expenses	361.80	328.66
Profit (Loss) for the period	1,052.70	990.00
Total Comprehensive Income for the period	1,050.65	986.44

2. DIVIDEND AND RESERVES:

The Directors of the Company have recommended dividend @ 35% (PY 20%) on Paid up Equity Share Capital [i.e. Rs. 3.50/- (PY Rs. 2/-) on every Equity Share of Rs. 10 each] for the year ended on March 31, 2026.

No amount is proposed to be transferred to Reserve.

3. STATEMENT OF AFFAIRS:

There was improvement in the performance of the Company as compared to the previous year. The Company has achieved turnover of Rs. 6767 Lakhs for the year, with significant add-on into bottom-line.

Significant order pipeline at the beginning of the year has helped achieving the desired topline. Continued cost control & optimization 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, new business development would add on to expand the growth foot print & trajectory for the Company in future.

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 like expanding local supplier base and mitigate adverse impact of raw material availability and price fluctuation.

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:

Four Board Meetings were held during the year on: April 17, 2025, July 17, 2025, October 16, 2025 and January 15, 2026.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. AUDITORS & AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditors in their Report on the Financial Statements for the Financial Year ended March 31, 2026.

During the year under review, there were no frauds reported by Auditors under Section 143 (12) of the Companies Act, 2013. Requirement of obtaining secretarial audit report is not applicable to the Company.

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. The appointment will come to an end at the conclusion of the ensuing Annual General Meeting.

The Board of Directors at their meeting held on April 22, 2026 have considered and recommend the appointment of M/s. P. G. Bhagwat LLP, as statutory auditors of the Company, for a period of 5 years from conclusion of ensuing Annual General Meeting till conclusion of 25th Annual General Meeting to be held in year 2031. The statutory auditors have given their consent and eligibility certificate pursuant to Section 139 of the Companies Act, 2013.

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 2025-26 apart from continuing with the measures taken in previous years for conservation of energy:

- At Application Shop, blasting chamber has been revamped and the same is now fully operational.
- Replaced Cold Storage AC System with flame proof motor and 407C refrigerant gas.
- Converted traditional ceiling fans to BLDC ceiling fans which resulted in approx. 40-50% power saving.
- Work on revamping Air Handling Unit (AHU) is underway with flame-proof motor and 407C refrigerant gas.
- Power saving at customer end through efficiency improvement coating is 1,814.14 KW in Financial Year 2025-26.

(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: Rs. 55.35 Lakh

(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	592.47

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:

During the year under review, Mr. Clive Harper (DIN: 06700160) retired by rotation and being eligible was re-appointed as Director of the Company, by the members at 19th Annual General Meeting.

Mr. Chittaranjan Mate (DIN: 07399559) who will retirement by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

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 **Annexure-I** of this report and forms part of this report.

17. HOLDING COMPANY:

Kirloskar Brothers Limited is the holding company of the Company.

18. CASH FLOW:

A cash flow statement for the year ended March 31, 2026 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:

During the year under review at any given point, the Company did not have any subsidiaries, joint ventures or associate companies.

21. Particulars of Employees:

The provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 requiring disclosure of remuneration of certain employees, is not applicable to the 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, 2026:

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.** During the year under review, there were no women employees in the Company. Hence, the provisions of the Maternity Benefit Act, 1961 are not applicable.
- 27.** There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company during the year.
- 28.** 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: 22nd April 2026

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 total CSR obligation is less than INR 10 Crores.	

5.	(a) Average net profit of the company as per Section 135(5) of the Companies Act, 2013, (the Act')	Rs. 7,64,81,808
	(b) Two percent of average net profit of the Company as per Section 135(5) of the Act	Rs. 15,29,636
	(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. 15,29,636
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 15,29,636
	(b) Amount spent in Administrative Overheads	0
	(c) Amount spent on Impact Assessment, if applicable	0
	(d) Total amount spent for the Financial Year [(a) + (b) + (c)]	Rs. 15,29,636
	(e) CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year (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
15,29,636	Nil	NA	NA	Nil	NA

f) Excess amount for set off, if any

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. 15,29,636
ii.	Total amount spent for the Financial Year	Rs. 15,29,636
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
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)]	Nil

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 ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	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 ₹)	Deficiency, if any
					Amount (in ₹)	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
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Alok Kirloskar
Chairman
DIN 05324745

Chittaranjan Mate
Director
DIN 07399559

Date : 22nd April 2026

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, 2026, 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, 2026, 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.

Auditors’ 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 auditors’ report that includes our opinion. Reasonable assurance

is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

We also:

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph i) vi below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - 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) Based on the information and explanations provided to us, the Company has not paid any remuneration to its directors, and no individual has been appointed to the position of manager as defined under the Act. The sitting fees paid to directors are within the limits prescribed under the Act. Accordingly, while Section 197 of the Act is applicable to the Company, there are no matters to be reported under 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) 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 a) 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 b) 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) According to the information and explanation provided to and based on our examination, including test checks, the Company has used accounting software for maintaining its books of account that has an audit trail (edit log) feature, which operated throughout the year for all relevant transactions, except that the audit trail feature was not enabled at the database level to capture direct changes. During the course of our audit, insofar as it relates to the audit trail for transactions, we did not observe any instance of the audit trail feature being tampered with.
- Further, the Company uses a third-party service provider for salary processing. In the absence of a SOC 1 Type 2 report (ISAE 3402) covering relevant controls, we are unable to comment on whether the audit trail feature in such system was enabled and operated throughout the year for all relevant transactions or whether any instances of tampering occurred.
- Additionally, the audit trail, to the extent enabled, has been preserved by the Company in accordance with applicable statutory record retention requirements.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat

Partner

Membership Number: 136835

UDIN: 26136835QOGQKA8296

Place – Pune

Date – April 22, 2026

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 internally by the management in the current year. According to the information provided to us, no 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 has provided us with the quarterly returns/statements, which they have represented to us as having been submitted to the banks/financial institutions in accordance with the terms of sanction of working capital facilities. The returns/statements for the quarter ended March 31, 2026 are yet to be submitted.

Based on the audit procedures performed on the returns/statements provided to us, we report that such returns/statements are in agreement 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 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, 2026, 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 Statute	Nature of Dues	Amount (Rs. Lakhs)	Amount paid under protest (Rs. Lakhs)	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) The Company does not have any outstanding loans or borrowings. Accordingly reporting on clause 3 (ix) (a) is not applicable.

(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, no term loans have been 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 a short-term basis have, prima facie, not been used for long-term purposes during the year.

(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, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.
- (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, the Company has an internal audit system commensurate with the size and nature of its business; however, the scope and frequency of internal audit can be further improved.
- (b) The Company has not conducted internal audit during the year ended March 31, 2026. Accordingly, no internal audit reports were available for the period under audit and hence, the question of our considering such reports does not arise.
- (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) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with the provisions of Section 135(5) of the Act.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects requiring transfer to a special account in compliance with Section 135(6) of the Act.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat

Partner

Membership Number: 136835

UDIN: 26136835QOGQKA8296

Place – Pune

Date – April 22, 2026

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, 2026 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, 2026, 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: 26136835QOGQKA8296

Place – Pune

Date – April 22, 2026

Balance Sheet as at 31 March 2026

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	31 March 2026	31 March 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	682.34	603.48
Capital work-in-progress	3(a)	38.04	40.80
Financial Assets			
Trade receivables	5	175.79	56.18
Others	6	18.07	16.59
Deferred tax assets (net)	7	-	-
Other non-current assets	8	11.98	25.07
Total non-current assets		926.22	742.12
Current assets			
Inventories	9	792.53	671.66
Financial Assets			
Investments	4	1,984.78	846.07
Trade receivables	5	1,003.18	1,230.94
Cash and cash equivalents	10	137.73	148.28
Others	6	26.98	29.53
Other current assets	8	151.42	92.66
Total current assets		4,096.62	3,019.14
TOTAL ASSETS		5,022.84	3,761.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	500.00	500.00
Other equity	12	2,890.52	1,939.87
Total equity		3,390.52	2,439.87
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	-	-
Trade payables	14		
- Dues of micro enterprises & small enterprises		96.09	62.98
- Others		26.37	19.25
Provisions	17	61.04	34.54
Deferred tax liabilities (net)	7	7.81	10.58
Total non-current liabilities		191.31	127.35
Current liabilities			
Financial liabilities			
Borrowings	13	-	-
Trade payables	14		
- Dues of micro enterprises & small enterprises		100.66	124.64
- Others		519.32	420.36
Other financial liabilities	15	151.67	173.08
Other Current liabilities	16	587.30	442.56
Provisions	17	66.23	33.40
Current tax liabilities (net)	18	15.83	-
Total current liabilities		1,441.01	1,194.04
Total liabilities		1,632.32	1,321.39
TOTAL EQUITY AND LIABILITIES		5,022.84	3,761.26

Corporate information

1

Summary of material accounting policies

2

The accompanying notes form an integral part of the financial statements

3 to 48

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: 26136835QOGQKA8296

Pune

April 22, 2026

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 22, 2026

Statement of Profit and Loss for the Year Ended 31 March 2026

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	Year Ended 31/03/2026	Year Ended 31/03/2025
Revenue from Operations	19	6,767.88	6,012.41
Other Income	20	91.77	85.58
Total Income		6,859.65	6,097.99
Expenses			
Cost of materials consumed	21	1,602.92	1,450.07
Changes in inventories of finished goods	21	2.67	(137.42)
Employee benefits expense	22	629.22	503.36
Finance costs	23	57.45	50.31
Depreciation and amortization expense	24	62.63	55.96
Other expenses	25	3,090.26	2,857.05
Total expenses		5,445.15	4,779.33
Profit / (loss) before tax		1,414.50	1,318.66
Tax expenses			
Current tax		365.00	304.00
Deferred tax	7	(2.09)	34.85
Short/(Excess) provision of earlier years		(1.11)	(10.19)
Total Tax expenses		361.80	328.66
Profit/(loss) for the period		1,052.70	990.00
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	26	(2.74)	(4.76)
Income tax relating to items that will not be reclassified to profit or loss		0.69	1.20
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,050.65	986.44
Earnings per equity share			
Basic	30	21.05	19.80
Diluted	30	21.05	19.80

Corporate information

1

Summary of material accounting policies

2

The accompanying notes form an integral part of the financial statements

3 to 48

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: 26136835QOGQKA8296

Pune

April 22, 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 22, 2025

Cashflow statement for the year ended 31 March 2026

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	31 March 2026	31 March 2025
Cashflows from Operating Activities		
Net Profit before taxation and extraordinary items	1,414.50	1,318.66
Adjustments for :-		
Depreciation / Amortization	62.63	55.96
Loss on sale of Fixed Assets	-	1.98
Profit on sale of Fixed Assets	-	(9.98)
Provision no longer required written back	(1.86)	(5.77)
Provision for doubtful debts, advances and claims	(3.14)	(83.98)
Bad debts	1.57	98.25
Unrealised gain valuation of Investment	(64.57)	(21.00)
Unwinding of discount & effect of changes in discount rate on retention money	(6.57)	(20.27)
Interest Income	(3.84)	(7.01)
Interest Expenses	57.45	50.69
Operating Profit Before Working capital changes	1,456.17	1,377.53
Adjustments for :-		
(Increase)/ decrease in inventories	(120.87)	(183.13)
(Increase)/ decrease in trade receivables	109.72	(538.23)
(Increase)/ decrease in financial assets	1.07	(10.95)
(Increase)/ decrease in non-financial assets	(63.40)	(2.26)
Increase/ (decrease) in trade payable	121.78	123.54
Increase/ (decrease) in financial liabilities	(21.41)	62.71
Increase/ (decrease) in non-financial liabilities	144.74	267.40
Increase/ (decrease) in provisions	58.45	13.54
Cash Generated from Operations	1,686.25	1,110.15
Income Tax (Paid) / Refunded	(330.32)	(327.18)
Net Cash from Operating Activities	1,355.93	782.97
Cashflows from Investing Activities		
Purchase of Fixed Assets	(138.73)	(175.17)
Sale of Fixed Assets	-	10.24
Interest Received	3.84	6.61
Investments in Mutual Funds (Net)	(1,074.14)	(570.82)
Net Cash from Investment Activities	(1,209.03)	(729.14)
Cash Flows from Financing Activities		
Proceeds/(Repayment) from borrowing	-	(36.40)
Interest Paid	(57.45)	(50.86)
Dividend Paid including tax on dividend	(100.00)	(30.00)
Net Cash used in Financing Activities	(157.45)	(117.26)
Net Increase in Cash and Cash Equivalents	(10.55)	(63.43)
Cash & Cash Equivalents at beginning of period (refer note 10)	148.28	211.71
Sub Total	137.73	148.28
Cash & Cash Equivalents at end of period (refer note 10)	137.73	148.28

Note : 1. Cash flow is prepared using indirect method as per Ind AS 7 - Statement of Cashflows.

2. Refer note 40 for amount spent during the years ended March 31, 2026 and 2025 on construction / acquisition of any asset and other purposes relating to CSR activities.

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: 26136835QOGQKA8296

Pune

April 22, 2026

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 22, 2026

Statement of Changes in Equity for the period ended 31 March 2026

(Amounts in Rs. Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1 April 2024	Changes in equity share capital during the year	Balance as at 31 March 2025
500.00	-	500.00
Balance as at 1 April 2025	Changes in equity share capital during the year	Balance as at 31 March 2026
500.00	-	500.00

B. Other Equity

Particular	Reserves and Surplus		Total
	General reserve	Retained Earnings	
Balance as at 1 April 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
Profit for the year	-	1,050.65	1,050.65
Other comprehensive income	-	-	-
Less: Final dividend paid including tax	-	100.00	100.00
Balance as at 31 March 2026	325.53	2,564.99	2,890.52

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: 26136835QOGQKA8296

Pune
April 22, 2026

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 22, 2026

Notes to accounts for the year ended 31 March 2026**1. Corporate information**

Kirloskar Corrocoat Private Limited ("KCPL" or "the Company") 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 also undertakes turnkey projects for supply and application of anti-corrosive coatings on a variety of equipment.

2. Summary of Material Accounting Policies**2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act. The financial statements have been prepared on a going concern basis.

The financial statements were authorised for issue by the Board of Directors on 22nd April 2026.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following items which are measured at fair value on each reporting date:

Items	Measurement basis
Defined benefit plan assets	Fair value
Financial assets designated at FVTPL (refer note 34 to the financial statements)	Fair value through Profit or Loss (FVTPL)

2.3 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 nearest Lakhs, unless otherwise stated.

2.4 Current and Non-Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in 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 realisation 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.

An asset is classified as current when it: (i) is expected to be realised or intended to be sold or consumed in the normal operating cycle; (ii) is held primarily for the purpose of trading; (iii) is expected to be realised within twelve months after the reporting date; or (iv) is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities are classified as current when: (i) they are expected to be settled in the normal operating cycle; (ii) they are held primarily for the purpose of trading; (iii) they are due to be settled within twelve months after the reporting date; or (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. The current portion of long-term borrowings due within twelve months of the reporting date is disclosed separately as 'Current Maturities of Long-Term Borrowings' within Borrowings under Current Liabilities.

2.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including contingent liabilities, at the end of each reporting period. These estimates are based on management's best knowledge of current events and actions. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical Judgements in Applying Accounting Policies

The following are critical judgements, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Notes to accounts for the year ended 31 March 2026

Determination of performance obligations in coating contracts: The Company exercises judgement in identifying whether supply-and-application contracts contain one or two performance obligations under Ind AS 115 and in selecting the appropriate method (output or input) for measuring progress.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimation of defined benefit obligations: The present value of defined benefit obligations depends on assumptions including discount rate, future salary increases, and mortality rates (see employee benefits policy).

Estimation of warranty provisions: Based on historical experience and product/service performance data (see provisions policy).

Estimation of expected credit losses on trade receivables: The Company uses a provision matrix based on historical loss rates adjusted for forward-looking factors.

Estimation for diminution in value of inventory: Management assesses net realisable value based on estimated selling price less estimated costs to complete and sell.

Revenue recognition – percentage of completion: For over-time contracts, the Company estimates the proportion of area surface coated relative to total contracted area to measure progress.

Useful lives of property, plant and equipment: Reviewed at each reporting date; deviations (if any) from Schedule II are supported by technical evaluation.

2.6 Inventories

Inventories comprise raw materials, work-in-progress, and finished goods and are valued at the lower of cost and net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Cost is determined using the moving weighted average method and includes all costs incurred in bringing the inventories to their present location and condition, net of rebates and discounts. Specifically:

- Cost of raw materials comprises purchase price and directly attributable acquisition costs.
- Cost of work-in-progress and finished goods comprises direct materials, direct labour, and an appropriate proportion of variable and fixed production overheads, the latter allocated based on normal operating capacity.

Slow-moving, obsolete, defective, or surplus inventory is written down to NRV in accordance with the Company's consistently applied inventory provisioning policy. Such write-downs are reversed if the circumstances that led to them no longer exist.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, and short-term deposits with an original maturity of three months or less that are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, these are stated net of outstanding bank overdrafts where applicable. The Company prepares its statement of cash flows using the indirect method.

2.8 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment (PPE) are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of PPE comprises its purchase price (including import duties and non-refundable taxes), any directly attributable costs of bringing the asset to its working condition for its intended use, and the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located (asset retirement obligation, if applicable).

The Company has assessed its obligations arising from decommissioning and site restoration. As of the reporting date, no material asset retirement obligations have been identified.

Trade discounts and rebates are deducted from the purchase price. Borrowing costs attributable to the construction of a qualifying asset are capitalised as part of its cost during the construction period.

Notes to accounts for the year ended 31 March 2026

Parts of an item of PPE having different useful lives are accounted for as separate components of PPE.

Capital work-in-progress comprises costs of assets under installation or construction that are not yet ready for their intended use. These are transferred to the respective asset category when the asset is ready for its intended use. Advances paid towards acquisition of PPE outstanding at each reporting date are disclosed separately under Other Non-Current Assets and are not included in capital work-in-progress.

Subsequent Costs

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

Derecognition

An item of PPE is derecognised upon disposal or when no future economic benefits are expected from its continued use. Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount, and are recognised net within 'Other Income' / 'Other Expenses' in the statement of profit and loss.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of PPE, as prescribed in Schedule II of the Companies Act, 2013, or as determined by management based on technical evaluation. The Company has determined the residual value of all items of PPE to be nil, as the assets are expected to be used for their entire useful life with no material realisable value at the end

Depreciation on additions/disposals is computed on a pro-rata basis from/to the date of addition/disposal. Assets individually costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Asset Category	Life Years)	Basis
Buildings	30	
Plant & Equipment	15	Schedule II
Furniture & Fixtures	10	Schedule II
Office Equipment	5	Schedule II
Railway Siding	15	Schedule II
Computers & End-User Devices	3	Schedule II
Vehicles	8	Schedule II

2.9 Intangible Assets and Amortisation

Recognition and Measurement

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

Acquired intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. The residual value of intangible assets is assumed to be nil unless there is a commitment by a third party to purchase the asset at the end of its useful life.

Internally generated intangible assets, including internally developed brands, customer lists, mastheads, and publishing titles, are not recognised. Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only when it meets the criteria prescribed under Ind AS 38 para 57.

Intangible assets under development are disclosed separately as 'Intangible Assets under Development.'

Subsequent Measurement

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

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use:

Notes to accounts for the year ended 31 March 2026

Intangible Asset	Useful Life
Computer Software (purchased)	5 years
Technical Know-how / Licences (if any)	Over contract term

2.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease — that is, whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease liabilities are presented as a separate line item within Financial Liabilities on the face of the balance sheet (current and non-current).

Company as Lessee: The Company recognises right-of-use (ROU) assets and corresponding lease liabilities at the commencement date for all leases with a term exceeding 12 months, unless the underlying asset is of low value. The ROU asset is initially measured at cost comprising: (i) the initial measurement of the lease liability; (ii) any lease payments made at or before commencement, less lease incentives received; and (iii) initial direct costs. The ROU asset is subsequently depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at the present value of lease payments not yet paid, discounted at the rate implicit in the lease or, if not determinable, the Company's incremental borrowing rate. Subsequent measurement increases the carrying amount for interest, reduces it for lease payments made, and remeasures it for any modifications or reassessments.

Short-term leases (12 months or less) and leases of low-value assets are expensed on a straight-line basis over the lease term.

2.11 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods or services to customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of returns, trade discounts, and volume rebates.

Identification of Performance Obligations

The Company's contracts with customers primarily relate to: (a) supply of anti-corrosive coating materials; and (b) application of anti-corrosive coatings on pipes and equipment (including turnkey contracts).

Where a customer enters into two separate contracts — one for supply and one for application — the Company assesses, at contract inception, whether these should be combined into a single contract under Ind AS 115 para 17. Contracts are combined when they are negotiated as a package with a single commercial objective. In substance, customers approach the Company for the complete solution (coated equipment). Upon combination, the Company identifies the following distinct performance obligations:

Performance Obligation 1: Supply of coating material — satisfied at a point in time when control passes to the customer (typically upon delivery/despatch).

Performance Obligation 2: Application of coating — satisfied over time, as the customer simultaneously receives and consumes the benefit of the application work.

Where the contract is only for supply of coating material, revenue is recognised at a point in time when control passes to the customer.

Measurement of Progress for Over-Time Obligations

For coating application contracts satisfied over time, the Company uses an output method to measure progress: the ratio of area surface coated to date to the total contracted area. This method faithfully depicts the transfer of control to the customer.

Variable Consideration

Certain contracts include variable elements such as price variations, penalties for delays, or performance-linked adjustments. The Company estimates variable consideration using the expected value method or the most likely amount method, whichever better predicts the amount to which the Company will be entitled. Variable consideration is constrained to the extent that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Notes to accounts for the year ended 31 March 2026**Transaction Price Allocation**

Where a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are estimated using observable prices where available, or using the cost-plus-margin approach.

Contract Assets and Contract Liabilities

A contract asset is the Company's right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time (e.g., unbilled coating work completed but awaiting milestone certification). Contract assets are assessed for impairment under the ECL model.

A contract liability is the obligation to transfer goods or services to the customer for which the Company has received consideration from the customer (advance payments / progress billings in excess of revenue recognised). Contract liabilities are recognised as revenue when the Company performs under the contract.

Significant Financing Component

The Company applies the practical expedient under Ind AS 115 para 63: the promised amount of consideration is not adjusted for the effects of a significant financing component if, at contract inception, the Company expects that the period between transfer of the promised goods or services and payment by the customer will be one year or less.

Warranty Obligations

Warranties provided to customers are assessed as assurance-type warranties (guaranteeing that the coating meets agreed specifications). Assurance-type warranties are accounted for as provisions under Ind AS 37. Where a warranty provides the customer with a service beyond agreed specifications (if any), it is treated as a separate performance obligation and a portion of the transaction price is allocated to it.

2.12 Other Income

Interest income is recognised on a time-proportion basis using the applicable interest rates. For financial assets where the effect of discounting is material, the effective interest rate (EIR) method is applied. Dividend income is recognised when the Company's right to receive payment is established.

2.13 Borrowing Costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds, including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

General and specific borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that asset during the period of time required to complete and prepare the asset for its intended use or sale. Qualifying assets are those that generally take more than 12 months 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 borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

2.14 Foreign Currency Transactions

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

Transactions and Balances

Transactions in foreign currencies are initially 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.

Exchange differences on import trade payables and export receivables are recognised within 'Other Income' / 'Other Expenses.' Exchange differences on foreign currency borrowings that are regarded as an adjustment to borrowing costs are recognised within 'Finance Costs'.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date the fair value was determined.

Notes to accounts for the year ended 31 March 2026

2.15 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, bonus, short-term compensated absences, and leave travel allowance are recognised in the period in which the employee renders the related service.

Post-Employment Benefits – Defined Contribution Plans

The Company's contributions to the superannuation scheme and provident fund (government-administered) are defined contribution plans. The contribution paid or payable under these schemes is recognised as an expense in the period in which the employee renders the related service.

Post-Employment Benefits – Defined Benefit Plans

The employees' gratuity scheme managed through the Life Insurance Corporation of India (LIC) is the Company's defined benefit plan. The present value of the defined benefit obligation is determined using the Projected Unit Credit Method. Each period of service is recognised as giving rise to an additional unit of benefit entitlement, which is measured separately to build up the final obligation.

The discount rate used is based on market yields on Government securities at the balance sheet date, having maturity periods approximating the terms of the related obligations. Actuarial valuations are carried out by an independent actuary at each reporting date.

Re-measurements — comprising actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding net interest) — are recognised immediately through OCI and are not reclassified to profit or loss in subsequent periods. Net interest, calculated by applying the discount rate to the net defined benefit liability or asset, is included in 'Employee Benefit Expense.' Past service cost is recognised immediately in profit or loss in the period of plan amendment or curtailment. For funded plans, plan assets at fair value are netted against the gross obligation.

Long-Term Employee Benefits

The obligation for long-term employee benefits, such as compensated absences (earned leave), is determined using actuarial valuation with the Projected Unit Credit Method, similar to defined benefit plans. Actuarial gains and losses are recognised immediately in profit or loss. Accumulated leave expected to be utilised within 12 months is classified as short-term. Both earned leave and sick leave (where accumulating) are included in this assessment.

2.16 Taxes

Current Income Tax

Current tax is determined based on taxable income, after considering the applicable provisions of the Income Tax Act, 1961, at the enacted or substantively enacted rate at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss — either in OCI or directly in equity, in correlation with the underlying transaction.

Current tax assets and liabilities are offset only when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits, and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilised. 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 profits will be available.

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

Notes to accounts for the year ended 31 March 2026

Deferred tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax assets and liabilities are offset when a legally enforceable right to set off current tax assets against current tax liabilities exists and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects risks specific to the liability; the increase due to passage of time is recognised as finance cost.

Where the Company expects some or all of a provision to be reimbursed (e.g., under an insurance contract), the reimbursement is recognised as a separate asset only when it is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Warranty Provision

Provision for warranty is recognised at the time of sale or completion of coating application. The provision is based on historical warranty claim data and management estimates of the cost of rectification. The warranty provision covers a period of 60 months from the date of completion/delivery. The estimate is reviewed annually.

Contingent Liabilities

Contingent liabilities are disclosed in the notes to the financial statements in the following cases:

- a. A present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation.
- b. A present obligation arising from past events where no reliable estimate is possible.
- c. A possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources is remote. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Contingent Assets

Contingent assets are not recognised in the financial statements. However, when an inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements.

2.18 Impairment of Non-Financial Assets

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset or a cash-generating unit (CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset or CGU. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and 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. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If in a subsequent period the recoverable amount of an impaired non-financial asset (other than goodwill) exceeds its carrying amount, the previously recognised impairment loss is reversed. The reversal is limited to the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually. Other non-financial assets are tested when indicators of impairment are identified.

Notes to accounts for the year ended 31 March 2026

2.19 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability at the measurement date in the way market participants would take those characteristics into account when pricing the asset or liability.

Fair values for measurement and/or disclosure purposes are categorised into the following three levels of the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs other than Level 1 quoted prices 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 what market participants would use in pricing the asset or liability. The Company uses valuation techniques appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.20 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 initially recognised at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition. Regular-way purchases and sales of financial assets are recognised on the trade date.

Financial Assets – Subsequent Measurement

The Company's financial assets comprise the following and are measured as described:

Amortised cost: All financial assets are initially recognised at fair value. For trade receivables arising from contracts with customers that do not contain a significant financing component, the transaction price per Ind AS 115 is taken as the fair value at initial recognition, since for such short-term receivables the transaction price and fair value are the same. These receivables are subsequently measured at amortised cost, which continues to approximate their fair value given their short-term nature.

Bank balances, security deposits, time deposits, bond investments, and corporate deposits are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest, and are accordingly measured at amortised cost using the effective interest rate method. The carrying amount of short-term instruments approximates their fair value due to their short-term nature. For longer-term instruments, the Company has assessed that the difference between carrying amount and fair value is not material. Security deposits are classified under 'Other Financial Assets' (non-current or current as applicable) in the balance sheet.

Fair value through Profit or Loss (FVTPL): Investments in mutual funds are measured at FVTPL. Gains and losses arising from changes in fair value are recognised in the statement of profit and loss in the period in which they arise. In the statement of profit and loss, such gains and losses are presented under 'Net Gains / (Losses) on Fair Value Changes' within Other Income.

Financial Assets – Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Notes to accounts for the year ended 31 March 2026**Impairment of Financial Assets (Expected Credit Loss Model)**

The Company applies the Expected Credit Loss (ECL) model for impairment of financial assets measured at amortised cost. Investments in mutual funds measured at FVTPL are not subject to ECL assessment.

For trade receivables, the Company applies the simplified approach as required by Ind AS 109, whereby the loss allowance is measured at an amount equal to lifetime expected credit losses from initial recognition. The Company uses a provision matrix based on the ageing of trade receivables and historical credit loss experience. The historical default rates are reviewed at each reporting date and adjusted, where necessary, to reflect current **conditions** and reasonable forward-looking information available without undue cost or effort. The Company has assessed that the impact of macroeconomic forward-looking factors is not material given the nature and short-term profile of its trade receivables, and accordingly no separate adjustment has been made. The provision rates are updated annually.

For other financial assets measured at amortised cost — comprising bank balances, security deposits, time deposits, bond investments, and corporate deposits — the Company applies the general approach under Ind AS 109. The Company recognises 12-month ECL if credit risk has not increased significantly since initial recognition, and lifetime ECL if credit risk has increased significantly. ECL on bank balances and government-backed instruments is assessed as not material given the high credit quality of the counterparties. For corporate deposits and bond investments, the Company monitors credit risk based on external credit ratings, publicly available financial information, and historical experience, and recognises ECL accordingly.

Financial Liabilities – Initial Recognition and Measurement

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the issue of the liability.

Financial Liabilities – Subsequent Measurement

All financial liabilities of the Company are classified and measured as follows: (i) Loans and borrowings at amortised cost: after initial recognition, interest-bearing borrowings are measured at amortised cost using the EIR method; transaction costs, discounts, and premiums are amortised over the life of the instrument and included within finance costs. (ii) Financial liabilities at FVTPL: liabilities held for trading and derivatives not designated as hedging instruments. The Company has not designated any financial liability at FVTPL.

Financial Liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or 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 derecognition of the original liability and recognition of a new liability; the difference in respective carrying amounts is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.21 Earnings Per Share

Basic earnings per share (EPS) 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. The weighted average number of equity shares is adjusted for events such as bonus issues, rights issues, share splits, and consolidations.

For the purpose of calculating diluted EPS, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.22 Segment Reporting

Operating segments are identified on the basis of internal reports reviewed by the Company's chief operating decision-maker (CODM) to allocate resources and assess performance. The Board of Directors has been identified as the CODM. Segment accounting policies are consistent with the accounting policies of the Company.

Notes to accounts for the year ended 31 March 2026

Based on the nature of its products and services, the Company operates in a single reportable business segment: manufacture and application of anti-corrosive coating solutions. Accordingly, no separate segment information is presented.

2.23 Events After the Reporting Date

The Company adjusts amounts recognised in the financial statements to reflect adjusting events after the reporting date — events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the reporting date are disclosed in the notes when material.

Standards Issued but Not Yet Effective

The Ministry of Corporate Affairs (MCA) has issued the following amendments to Indian Accounting Standards that are not yet effective as at the reporting date of 31st March 2026. The Company has not early adopted any of these amendments. Management is currently assessing the impact of these amendments on the Company's financial statements (if any).

Standard	Nature of Amendment	Effective Date	Expected Impact on KCPL
Ind AS 1 (Presentation of Financial Statements)	Removal of the Ind AS carve-out for post-reporting date covenant waivers. From April 1, 2026, if a covenant is breached at the reporting date, the related borrowing must be classified as current even if the lender grants a waiver after the reporting date but before financial statement approval. This brings India fully in line with IFRS requirements.	April 1, 2026 (Mandatory)	Applicable. The Company's cash credit facility contains regular financial covenants. Management has reviewed the facility terms and assessed that, based on current financial performance, no covenant breach is anticipated at 31 st March 2026. The amendment will be adopted from FY 2026-27.
Ind AS 10 (Events After the Reporting Period)	Minor terminology update replacing the word 'provision' with 'covenant' for consistency with revised Ind AS 1.	April 1, 2026 (Mandatory)	No material impact expected. Terminology change only.

The following amendments issued by MCA became effective for annual periods beginning on or after April 1, 2025 and have accordingly been adopted by the Company for FY 2025-26:

- Ind AS 7 & Ind AS 107 — Supplier Finance Arrangements: New disclosure requirements for supply chain finance / reverse factoring arrangements. Not applicable to KCPL as the Company does not participate in any supplier finance arrangements.
- Ind AS 21 — Currency Non-Exchangeability: Framework for handling non-exchangeable currencies. Not applicable to KCPL as the Company's functional and presentation currency is INR and it does not operate in jurisdictions with currency exchange restrictions.
- Ind AS 12 — Pillar Two Global Minimum Tax: Exception from recognition and disclosure of deferred tax for Pillar Two income taxes. Not applicable to KCPL as the Company does not fall within the scope of the OECD Pillar Two framework.
- Ind AS 115 & Ind AS 116 — Cross-reference updates replacing superseded references to old Ind AS 17 and Ind AS 18 with current standards. No impact on the Company's accounting or disclosures.

Notes to Accounts

Note 3 : Property, plant & equipment

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Tangible Assets						Intangible Assets		
	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office equipments	Railway Siding	Total	Computer Softwares	Total
Gross Block									
As at 1 April 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
Additions	-	-	140.63	0.46	-	0.40	141.49	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2026	120.30	469.26	1,003.73	16.62	5.36	2.39	1,617.66	10.50	10.50
Depreciation/ Amortisation									
As at 1 April 2024	-	247.54	673.34	25.60	3.84	1.46	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	3.87	1.54	872.69	10.50	10.50
Charge for the year	-	15.23	46.87	0.01	0.42	0.10	62.63	-	-
Depreciation on disposal	-	-	-	-	-	-	-	-	-
As at 31 March 2026	-	278.00	635.22	16.17	4.29	1.64	935.32	10.50	10.50
Net block									
As at 31 March 2025	120.30	206.49	274.75	-	1.49	0.45	603.48	-	-
As at 31 March 2026	120.30	191.26	368.51	0.45	1.07	0.75	682.34	-	-

Notes:

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

Company has mortgaged its movable fixed assets against cash credit limit sanctioned from Banks - 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

Particulars	(Amounts in Rs. Lakhs, unless otherwise stated)	
	31 st March 2026	31 st March 2025
Balance at the beginning	40.80	-
Additions	138.73	170.29
Capitalised during the year	141.49	129.49
Balance at the end	38.04	40.80

Ageing of CWIP
As at March 2026

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	38.04	-	-	-	38.04
Projects temporarily suspended	-	-	-	-	-

(i) CWIP mainly consists of building under construction which is not ready to use.

(ii) Projects whose completion is overdue or has exceeded its cost compared to its original plan - NIL

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 4 : Investments

Particulars	As at 31 st March 2026		31 st March 2025	
	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	0.85	333.73	0.59	216.46
HDFC Mutual Fund	0.05	254.42	-	-
HSBC Ultra Short Duration Fund	0.14	199.58	0.12	161.10
Axis Asset Management Company Limited	0.07	203.37	-	-
Nippon India Money Market Fund	0.07	329.12	0.05	211.41
ICICI Prudential Asset Management Company Limited	0.51	200.89	-	-
UTI Asset Management Company Limited	0.09	276.18	-	-
Mirae Asset Liquid Fund	-	-	0.06	156.89
Bandhan Money Manager Fund	4.10	187.49	2.34	100.21
Total	5.88	1,984.78	3.16	846.07
Aggregate amount of quoted Investments		1,984.78		846.07
Aggregate amount of unquoted Investments		-		-
Aggregate amount of impairment loss				

Note 5 : Financial Assets: Trade receivables

Particulars	31 March 2026	31 March 2025
Non-Current		
Retentions		
Unsecured, considered good	175.79	56.18
	175.79	56.18
Current		
Unsecured, considered good		
Retentions	206.22	109.59
Trade Receivable from Others	757.68	1,105.00
Trade Receivable from Related Party* (Ref: Note 32)	39.28	16.35
Unsecured, considered Doubtful - Retention	-	7.46
Unsecured, considered Doubtful - Others	45.26	40.94
	1,048.44	1,279.34
Less : Loss Allowance (Refer Note 33(b))	(45.26)	(48.40)
	1,003.18	1,230.94
Total trade receivables	1,178.97	1,287.12

*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						Total
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2026							
1	Undisputed Trade receivables – Retentions	175.79	-	-	-	-	-	175.79
2	Undisputed Trade receivables – considered good (external parties)	-	-	-	-	-	-	-
3	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
4	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	-	-	-	-	-
5	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	175.79	-	-	-	-	-	175.79

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2025							
1	Undisputed Trade receivables – Retentions	56.18	-	-	-	-	-	56.18
2	Undisputed Trade receivables – considered good (external parties)	-	-	-	-	-	-	-
3	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
4	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	-	-	-	-	-
5	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	56.18	-	-	-	-	-	56.18

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Disclosure requirement for Current Trade receivables

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2026							
1	Undisputed Trade receivables – Retentions	121.01	71.37	4.32	1.42	0.60	7.49	206.21
2	Undisputed Trade receivables – considered good (external parties)	397.20	333.79	20.30	14.56	(0.85)	(7.32)	757.68
3	Undisputed Trade receivables – considered good (related parties)	33.97	5.31	-	-	-	-	39.28
4	Undisputed Trade Receivables – considered Doubtful (external parties)	-	-	-	1.38	8.93	26.40	36.71
5	Undisputed Trade Receivables – considered Doubtful (Retention)	-	-	-	0.30	0.60	7.49	8.39
6	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
7	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Less: Allowance for Doubtful Debts	-	-	-	(1.67)	(9.53)	(33.89)	(45.09)
	Total	552.18	410.47	24.62	15.99	-0.25	0.17	1,003.18

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 years	
	As at March 2025							
1	Undisputed Trade receivables – Retentions	71.46	29.17	1.78	-	8.92	-	111.33
2	Undisputed Trade receivables – considered good (external parties)	507.88	528.84	20.02	9.93	1.50	1.10	1,069.27
3	Undisputed Trade receivables – considered good (related parties)	50.34	-	-	-	-	-	50.34
4	Undisputed Trade Receivables – considered Doubtful (external parties)	-	-	0.30	0.60	5.26	1.30	7.46
5	Undisputed Trade Receivables – considered Doubtful (related parties)	-	-	3.41	8.49	11.71	17.33	40.94
6	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
7	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
	Less: Allowance for Doubtful Debts		-	(3.65)	(8.49)	(18.46)	(17.80)	(48.40)
	Total	629.68	558.01	21.86	10.53	8.93	1.93	1,230.94

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 6 : Financial Assets: Others

Particulars	2025-2026	2024-2025
Non-current		
(a) Security deposits		
Unsecured, considered good	18.07	16.59
	18.07	16.59
Current		
(a) Security deposits		
Unsecured, considered good	26.18	28.73
	26.18	28.73
	26.18	28.73
(b) Interest accrued on Deposits		
Unsecured, considered good	0.80	0.80
	26.98	29.53
Total other financial asset	45.05	46.12

Note 7: Income Tax and Deferred Tax

(1) The major components of income tax expense for the period ended 31 March 2026 and 31 March 2025 are:

(a) Profit or loss

Particulars	2025-2026	2024-2025
Current income tax:		
Current income tax charge	365.00	304.00
Adjustments in respect of current income tax of previous year	(1.11)	(10.19)
Deferred tax:		
Relating to origination and reversal of temporary differences	(2.09)	34.85
Income tax expense reported in the statement of profit or loss	361.80	328.66

(b) Other Comprehensive Income

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

Particulars	2025-2026	2024-2025
Income tax charged to OCI	0.69	1.20

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 2026 and 31 March 2025

Particulars	2025-2026	2024-2025
Accounting profit before tax	1,414.50	1,318.66
At statutory income tax rate of 25.168% (a)	356.00	331.88
Subtotal (b)	356.00	331.88
Permanent differences		
Less : Non deductible expenses		
Corporate Social responsibility expenses	15.30	6.70
Subtotal (c)	(15.30)	(6.70)
Tax impact of above adjustments	(3.85)	(1.69)
Other items	(1.95)	(1.53)
Total (f)	(5.80)	(3.22)
Tax expenses at effective rate (a-f)	361.80	328.66
Tax expenses recorded in books	362.91	338.85
Tax provision of earlier years	(1.11)	(10.19)
Total Tax expense as per books	361.80	328.66

Note 7 : Income tax
(2) Movement in deferred tax

(a) Deferred tax relates to the following: DTL/ (DTA)	31 March 2026	31 March 2025
Property, plant and equipment (depreciation)	26.42	24.04
Employee benefits - gratuity and compensated absences	(26.04)	(12.29)
Provision for doubtful debts	(11.39)	(12.18)
Current investment and Unwinding of discount on retention money receivable	9.60	2.92
Others - (DTA)/DTL	9.22	8.09
Net deferred tax liabilities/(assets)	7.81	10.58

Particulars	31 March 2026	31 March 2025
Property, plant and equipment (depreciation)	2.38	3.84
Employee benefits - gratuity and compensated absences (net of OCI Rs. 0.69/-)	(13.75)	(0.55)
Provision for doubtful debts and advances	0.79	21.14
Current investment and Unwinding of discount on retention money receivable	6.68	2.21
Others - (DTA)/DTL	1.13	7.02
Deferred tax expense/(income)	(2.77)	33.66

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

(b) Reflected in balance sheet as	31 March 2026	31 March 2025
Deferred tax asset	(40.68)	(27.72)
Deferred tax liability	48.49	38.30
Matching with note 2(a) above	7.81	10.58
Net Deferred tax asset	7.81	10.58

(3) Movement in current tax	31 March 2026	31 March 2025
Non Current tax (asset)/ liability as at beginning of period	(17.72)	17.20
Add: Additional provision during the year - Statement of Profit and loss account	363.89	293.81
Add: Provision for Interest on income tax of earlier made during the year	15.30	6.70
Add: Additional provision during the year - Other comprehensive income	-	-
Refund Received during the year	(345.64)	(335.43)
Less : TDS credit of previous year	-	-
Less: Current tax paid during the year	-	-
Current and Non Current tax (asset)/ liability as at end of period	15.83	(17.72)

Reflected in balance sheet as	31 March 2026	31 March 2025
Provision for income tax	365.00	304.00
Current advance tax	347.74	320.29
Non- current advance tax (net of provision)	1.43	1.43
	15.83	(17.72)

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 8 : Other assets

Particulars	31 March 2026	31 March 2025
Non-current		
(a) Prepaid expenses	1.40	2.45
(b) Advance income tax (net of provision)	-	17.73
(c) Capital advances	10.58	4.89
	11.98	25.07
Current		
(a) Advances to supplier and others	37.63	9.22
(b) Prepaid expenses	5.54	3.57
(c) Balance with Government Authorities ('Goods and Service Tax (net)')	108.25	79.87
	151.42	92.66
Total other asset	163.40	117.73

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 2026	31 March 2025
(a) Raw Materials *	388.06	294.07
(b) Finished goods	255.54	258.22
(c) Packing Material	3.40	6.95
(d) Stores, spares and consumables	145.53	112.42
(Refer Note 2.6 for Mode of valuation)	792.53	671.66

* Includes goods in transit of Rs. 29.49 /- Lakhs (FY 2024-25 Rs.NIL /-).

Amounts recognised in profit or loss

Write-down of inventories to net realisable value (net of reversal) amounted to Rs. 0.71/- Lakhs (Write down 31st March 2025: Rs. 2.31/- Lakhs) 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 2026	31 March 2025
(a) Balances with bank		
In current account	137.37	147.92
(b) Cash on hand	0.36	0.36
	137.73	148.28

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 2026	31 March 2025
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 2026, the board of directors have proposed dividend of Rs.3.50/- (2024-25 : Rs.2.00/-) per share subject to shareholders' approval.

b) Reconciliation of share capital

Particular	31 March 2026		31 March 2025	
	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 2026		31 March 2025	
	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 2026

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 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		

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 2026	31 March 2025
(a) General reserves		
Opening balance	325.53	325.53
Add: Transfer from retained earnings	-	-
	325.53	325.53
(b) Retained Earnings		
Opening balance	1,614.34	657.90
Add: Total comprehensive income for the year	1,050.65	986.44
Balance available for appropriation	2,664.99	1,644.34
Less: Appropriations :		
Final dividend paid	100.00	30.00
Sub total	100.00	30.00
Closing balance	2,564.99	1,614.34
Total other equity	2,890.52	1,939.87

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 2026	31 March 2025
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.	-	-
ii) Cash credit facilities carries floating rate of interest of @ Repo rate + 2.85% p.a.	-	-
iii) Quarterly returns or statements of current assets filed with bank are in agreement with the books of accounts.	-	-
Refer - Note No.35 B	-	-
Total borrowings	-	-

Note 14 : Financial Liabilities: Trade payables

Particulars	31 March 2026	31 March 2025
Non Current		
Retention money payable		
i) Total outstanding dues of micro enterprises & small enterprises (refer note 39)	96.09	62.98
ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	26.37	19.25
	122.46	82.23
Current		
i) Total outstanding dues of micro enterprises & small enterprises (refer note 39)	100.66	124.64
ii) Total outstanding dues of creditors other than micro enterprises & small enterprises		
Payable to Related parties (refer note 32)	1.00	34.16
Payable others	518.32	386.20
	619.98	545.00
Total trade payable	742.44	627.23

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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 2026						
1	MSME	96.09	-	-	-	-	96.09
2	Others (external parties)	26.37	-	-	-	-	26.37
3	Others (related parties)	-	-	-	-	-	-
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	Total	122.46	-	-	-	-	122.46
	As at March 2025						
1	MSME	62.98	-	-	-	-	62.98
2	Others (external parties)	19.25	-	-	-	-	19.25
3	Others (related parties)	-	-	-	-	-	-
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	Total	82.23	-	-	-	-	82.23

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 2026						
1	MSME	100.66	-	-	-	-	100.66
2	Others (external parties)	493.37	23.11	-	0.21	1.63	518.32
3	Others (related parties)	1.00	-	-	-	-	1.00
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	Total	595.03	23.11	-	0.21	1.63	619.98
	As at March 2025						
1	MSME	124.64	-	-	-	-	124.64
2	Others (external parties)	322.77	58.67	0.94	1.60	2.22	386.20
3	Others (related parties)	-	34.16	-	-	-	34.16
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	Total	447.41	92.83		1.60	2.22	545.00

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.

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 15: Other financial liabilities

Particulars	31 March 2026	31 March 2025
Current		
(a) Others		
i) Salary & reimbursements	87.83	98.95
ii) Dealer deposit	8.00	8.50
iii) Payables on account of purchases of fixed assets	10.04	16.86
iv) Payables on account of purchases of fixed assets-MSME	29.17	37.88
v) Provision for expenses	16.63	10.89
Total other financial liabilities	151.67	173.08

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 2026	31 March 2025
Current		
(a) Contract Liability (Advance from customer)	559.19	415.87
(b) Statutory dues	28.11	26.69
Total other liabilities	587.30	442.56

Note 17: Provisions

Particulars	31 March 2026	31 March 2025
Non-current		
a) Provision for employee benefits		
Compensated absences (Refer Note 33)	51.04	28.05
b) Other provision		
Provision for product warranty (refer note 33a)	10.00	6.49
	61.04	34.54
Current		
a) Provision for employee benefits		
Compensated absences (Refer Note 33)	13.52	19.53
Gratuity (Refer Note 31)	49.66	12.01
b) Other provision		
Provision for product warranty (Refer Note 33a)	3.05	1.86
	66.23	33.40
Total provisions	127.27	67.94

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 18: Current tax liabilities (net)

Particulars	31 March 2026	31 March 2025
Current		
(a) Income tax provision for the year	365.00	-
Less : Tax deducted at source & advance income tax paid	349.17	-
Net	15.83	-

Note 19: Revenue from Operations

Particulars	2025-26	2024-25
Revenue from contracts with Customers (refer note 41)		
Sales of product	1,811.41	639.51
Sales of services	4,948.53	5,362.22
	6,759.94	6,001.73
Other operating revenues		
Sale of scrap	7.01	10.58
Bad debts recovered	0.93	0.10
	6,767.88	6,012.41

Note 20: Other Income

Particulars	2025-26	2024-25
Interest Income		
From customers and others	1.21	6.48
On income tax refund	2.63	0.53
Unwinding of discount & effect of changes in discount rate on retention money	6.57	21.00
Other non-operating income		
Provision no longer required written back	1.86	5.77
Unrealised gain valuation of Investment measured at fair value through profit and loss account	64.57	20.27
Profit on sale of property, plant & equipment	-	9.98
Profit on sale of Investment measured at fair value through profit and loss account	14.93	21.55
	91.77	85.58

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

Particulars	2025-26	2024-25
Raw materials consumed	1,602.92	1,450.07
Changes in inventories of finished goods		
Opening Stock		
Finished goods	258.21	120.79
Closing Stock		
Finished goods	255.54	258.21
	2.67	(137.42)

Note 22: Employee benefits expense

Particulars	2025-26	2024-25
Salaries, wages and bonus	554.38	468.55
Defined contribution plans		
Contribution to provident fund, super annuation fund	27.19	26.04
Defined benefit plans		
Gratuity (refer note 31)	46.92	7.25
Welfare expenses	0.73	1.52
	629.22	503.36

Note 23: Finance costs

Particulars	2025-26	2024-25
Interest expense		
Interest on borrowings from bank	-	0.23
Unwinding of discount & effect of changes in discount rate on Warranty & Retention (trade receivables)	25.69	12.30
Other borrowing costs		
(includes discounting interest on invoices, bank guarantee commission, LC charges, loan processing charges)	31.76	37.78
	57.45	50.31

Note 24: Depreciation

Particulars	2025-26	2024-25
Depreciation on property, plant and equipment	62.63	55.96
	62.63	55.96

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 25: Other expenses

Particulars	2025-26	2024-25
Stores and spares consumed	537.20	522.72
Processing charges (application charges)	1,788.44	1,650.92
Power & fuel	45.41	41.02
Repairs and maintenance		
Plant and machinery	55.91	54.17
Buildings	10.08	9.03
Other	1.35	0.48
Rent (Usage of infrastructure)	12.00	12.79
Rates and taxes	4.24	3.97
Travel and conveyance	254.80	239.48
Communication expenses	3.86	3.49
Insurance	21.96	13.37
Directors' sitting fees	0.90	1.13
Freight and forwarding charges	88.87	82.93
Brokerage and commission	35.65	16.38
Advertisements and publicity	12.94	3.33
Provision for product warranty	6.55	3.44
Loss on sale/disposal of fixed assets	-	1.98
Provision for doubtful debts	(3.14)	(83.98)
Bad debts written off (refer note 33 b)	1.57	98.25
Auditor's remuneration (refer note 29)	6.95	6.37
Professional, consultancy and legal expenses	23.68	20.83
Security services	16.76	16.30
Computer services	31.52	32.49
Corporate social responsibility - (refer note 40)	15.30	6.70
Stationery & printing	7.48	5.88
Training course expenses	11.10	10.22
Outside labour charges	56.14	43.18
Foreign exchange loss (net)	14.99	14.92
Other miscellaneous expenses	27.75	25.26
	3,090.26	2,857.05

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	2025-2026	2024-2025
Remeasurements gains and (losses) on post employments benefits	(2.74)	(4.76)
Tax on remeasurements gains and losses	0.69	1.20
	(2.05)	(3.56)

Note : 27 Contingent liabilities

Particulars	31 March 2026	31 March 2025
(a) Contingent liabilities		
Claims against the company not acknowledged as debt;		
Goods and Service Tax (Matter Subjudice)	25.22	25.22
	25.22	25.22

Note : 28 Commitments

Particulars	31 March 2026	31 March 2025
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	186.56	2.21
	186.56	2.21

Note : 29 Remuneration to Auditors

Particulars	31 March 2026	31 March 2025
Statutory Auditors :		
a) Statutory and tax audit fees	5.10	5.10
b) Tax consultancy fees	1.00	1.00
c) Certification services	0.13	0.10
d) Expenses reimbursed	0.72	0.17
Sub total	6.95	6.37

Note : 30 Earning per Share (Basic and diluted)

Particulars	31 March 2026	31 March 2025
a) Profit for the year before tax	1,414.50	1,318.66
Less : Attributable Tax thereto	361.80	328.66
Profit after Tax	1,052.70	990.00
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	21.05	19.80

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.27.19/- in F.Y: 2025-26 (Rs.26.04/- in F.Y: 2024-25) 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 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation at the end of period	147.82	94.46
Less: Fair Value of Plan Assets at the end of period	98.17	82.45
Amount to be recognised as liability or (asset)	49.65	12.01
B. Amounts reflected in the Balance Sheet		
Provisions (refer note 17)	49.65	12.01
Current asset	-	-
Net Liability/(Asset)	49.65	12.01

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

Particulars	31 March 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
1 Current Service Cost	9.92	6.88
2 Acquisition (gain)/ loss	-	-
3 Past Service Cost	36.60	-
4 Net Interest (income)/expenses	0.40	0.37
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)	46.92	7.25

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

Particulars	31 March 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
1 Opening amount recognised in OCI outside profit and loss account	(5.07)	(9.82)
2 Remeasurements for the year - Obligation (Gain)/loss	0.52	2.93
3 Remeasurement for the year - Plan assets (Gain) / Loss	2.22	1.82
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	(2.33)	(5.07)
5 Less: Accumulated balances transferred to retained earnings		-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI (refer note 26)	2.74	4.75
Closing balances (remeasurement (gain)/loss recognised OCI	(2.33)	(5.07)

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 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
1 Balance of the present value of Defined benefit Obligation at the beginning period	94.46	78.96
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	6.33	5.69
5 Past Service Cost	36.60	-
6 Current Service Cost	9.92	6.88
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	-	-
10 Remeasurements on obligation - (Gain) / Loss	0.52	2.93
Present value of obligation as at the end of the period	147.83	94.46

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 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
1 Fair value of the plan assets as at beginning of the period	82.45	68.64
2 Acquisition adjustment	-	-
3 Transfer in/(out)	-	-
4 Interest income	5.93	5.31
5 Contributions	12.01	10.33
6 Benefits paid	-	-
7 Amount paid on settlement	-	-
8 Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(2.22)	(1.82)
9 Fair value of plan assets as at the end of the period	98.17	82.46

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

Particulars	31 March 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
1 Interest (Income) / Expense – Obligation	6.33	5.69
2 Interest (Income) / Expense – Plan assets	(5.93)	(5.31)
3 Net Interest (Income) / Expense for the year	0.40	0.38

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

Particulars	31 March 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
Experience(Gain)/Loss on plan liabilities	(0.66)	1.01
Demographic (Gain)/Loss on plan liabilities	5.91	(0.55)
Financial (Gain)/Loss on plan liabilities	(4.72)	2.47
Experience(Gain)/Loss on plan assets	1.77	1.68
Financial (Gain)/Loss on plan assets	0.44	0.15

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

Particulars	Percentage	Percentage
	2025-26	2024-25
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: 2025-26 (7.20% in F.Y: 2024-25) has been used for the valuation purpose.

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

Particulars	31 March 2026 Gratuity Plan (Funded)	31 March 2025 Gratuity Plan (Funded)
Defined Benefit Obligation	147.82	94.46
Plan Assets	98.17	82.45
(Surplus)/Deficit	49.65	12.01

Significant estimates

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

- Discount rate as at 31-03-2026- 7.20% (6.70% in F.Y: 2024-25)
- Expected return on plan assets as at 31-03-2026 - 6.70% (7.20% in F.Y: 2024-25)
- Salary growth rate as at 31-03-2026: 10.00% (10.00% in F.Y: 2024-25)
- Attrition rate as at 31-03-2026: 6.00% (11.00% in F.Y: 2024-25)
- The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) General descriptions of defined plans:

1 Gratuity Plan:

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

2 Company's Pension Plan:

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

l) The Company has contributed 12.01/- to its gratuity fund in 2025-2026.The Company expects to fund Rs. 46.92/- towards its gratuity plan in the year 2026-27.

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 2026	Effect on Gratuity obligation As at 31 March 2025
1 Discount rate		
Increase by 1% to 8.20%	139.11	89.62
Decrease by 1% to 6.20%	157.55	99.77
2 Salary increase rate		
Increase by 1% to 11.00%	155.78	98.65
Decrease by 1% to 9.00%	140.53	90.54
3 Withdrawal rate		
Increase by 1% to 7.0%	146.70	93.83
Decrease by 1% to 5.0%	149.06	95.14

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
2027	17.50
2028	36.07
2029	7.63
2030	12.21
2031	9.17
2032-2036	122.96

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

Risk Exposure:

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

1. Liability Risk

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

2. Asset Risk

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

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

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

(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	2025-2026		2024-2025	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Purchase of goods	70.48		96.93	
	Kirloskar Brothers Limited		-		-
	Corrocoat Limited, UK		70.48		96.93
2	Revenue from contracts with Customers	305.47		298.14	
	Kirloskar Brothers Limited		304.57		298.14
	Karad Projects & Motors Limited		-		-
	Kirloskar Ebara Pumps Limited		0.90		-
3	Receiving Services	60.50		62.29	
	Kirloskar Brothers Limited		59.50		61.29
	Corrocoat Limited, UK		1.00		1.00
4	Reimbursement of Expenses	7.43		6.19	
	Kirloskar Brothers Limited		-		-
	Corrocoat Limited, UK		7.43		6.19
5	Receipt Reimbursement of Expenses	-		-	
	Kirloskar Brothers Limited		-		-
6	Dividend Paid	100.00		30.00	
	Kirloskar Brothers Limited		65.00		19.50
	Corrocoat Limited, UK		35.00		10.50
7	Payment to Key Management Personnel	0.90		1.14	
	Sitting Fees				
	Mr. Alok Kirloskar		0.30		0.38
	Mr. Clive Harper		0.30		0.38
	Mr. C M Mate		0.30		0.38

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	2025-26		2024-25	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Accounts receivable (on account of sale of goods and services)				
	Kirloskar Brothers Limited		39.28		16.35
	Kirloskar Ebara Pumps Limited		-		
	TOTAL	39.28		16.35	
2	Amount Due (on account of purchase of raw material goods & receipt of services)				
	Kirloskar Brothers Limited		-		32.49
	Corrocoat Limited, UK		1.00		1.67
	TOTAL	1.00		34.16	

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 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
	Add: Provision during the year 2025-26	6.55
	Less: Amount reversed during the year 2025-26	(1.86)
	Net provision for the year	4.69
	Add: Unwinding of discounts	-
	Less: Amount utilised during the year 2025-26	-
	Carrying amount as at 31 March 2026	13.05

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Significant Estimate

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

b. Particulars	Provision for Doubtful debts
Carrying amount as at 1 April 2024	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)
Less: Provision reversed during 2024-25	-
Carrying amount as at 31 March 2025 (refer note 5)	48.40
Add: Provision during 2025-26	1.95
Less: Provision reversed during 2025-26	(3.52)
Net provision for the year	(1.57)
Less: Provision utilized towards Bad debt during 2025-26	(1.57)
Carrying amount as at 31 March 2026 (refer note 5)	45.26

c. Particulars	Provision for Compensated Absences
Carrying amount as at 1 April 2024	37.13
	-
Add: Provision during 2024-25	13.46
Less: Provision reversed during 2024-25	(2.86)
Net provision for the year	47.73
Less: Amount utilised during the year	(0.16)
Carrying amount as at 31 March 2025	47.57
Add: Provision during 2025-26	48.89
Less: Provision reversed during 2025-26	-
Net provision for the year	96.46
Less: Amount utilised during the year	(31.91)
Carrying amount as at 31 March 2026	64.55

Significant Estimation of long term employee benefit:

The cost of long term employee benefit and present value of such obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include 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 significant uncertainty. 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 2026	31 March 2025
At level 1		
a) Carried at fair value through Profit and loss (FVTPL)		
Investment in mutual funds	1,984.78	846.07
Levelled at Level 2		
Financial Assets	-	-
b) Carried at amortised cost		
Trade receivable	1,178.97	1,287.12
Other financial assets	45.05	46.12
Cash and cash equivalent	137.73	148.28
Levelled at Level 2		
Financial Liabilities	-	-
c) Carried at amortised cost		
Interest bearing borrowings	-	-
Trade payable	742.44	627.23
Other current financial liabilities	151.67	173.08

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 2026, 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. 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 initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

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

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

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

B) Liquidity risk

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

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

Exposure to Risk	31-Mar-2026	31-Mar-2025
Interest bearing borrowings		
On demand	-	-
Less than 180 days	-	-
181 - 365 days	-	-
More than 365 days	-	-
Total	-	-
Other liabilities		
On demand	8.00	8.50
Less than 180 days	143.67	164.58
181 - 365 days	-	-
More than 365 days	-	-
Total	151.67	173.08
Trade & other payables		
On demand		
Less than 180 days	619.98	545.00
181 - 365 days	-	-
More than 365 days	122.46	82.23
Total	742.44	627.23

The company has access to following undrawn facilities at the end of the reporting period (Interest rates 8% - 9%)

	31 March 2026	31 March 2025
Expiring within one year	1,000.00	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 2026	31 March 2025
Trade Receivables	1,224.23	1,335.52
Less : Loss Allowance	45.26	48.40
	1,178.97	1,287.12

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

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

Trade Receivables	31 March 2026	31 March 2025
Neither past due nor impaired	727.97	685.86
Past due but not impaired		-
Less than 180 days	410.47	558.01
181 - 365 days	24.62	21.80
More than 365 days	15.91	21.45
Credit Impaired /doubtful	45.26	48.40
Total	1,224.23	1,335.52

Reconciliation of loss provision (refer note 5)

Particulars	Trade receivables
Loss allowance as at 1 April 2024	132.38
Changes in loss allowance	(83.98)
Loss allowance as at 31 March 2025	48.40
Changes in loss allowance	(3.14)
Loss allowance as at 31 March 2026	45.26

(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 2026	31 March 2025	31 March 2026	31 March 2025
Trade Payables	GBP	0.11	0.01	13.51	0.67
Trade Payables	USD	-	-	0.09	-

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency		Amount in INR	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
GBP	0.11	0.01	13.51	0.67
USD	-	-	0.09	-

Sensitivity Analysis

Currency	Amount in INR		Sensitivity %	
	2025-26	2024-25	2025-26	2024-25
GBP	13.51	0.67	4.45%	4.91%
USD	0.09	-	3.54%	0.00%
Total	13.60	0.67	3.99%	4.91%

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2025-26	2024-25	2025-26	2024-25
GBP	(0.60)	(0.0)	0.60	0.00
USD	(0.00)	-	0.00	-
Total	(0.60)	(0.00)	0.60	0.00

GBP - Great Britain Pound) USD - United States Dollar

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 2026	31 March 2025
Loans and borrowings	-	-
Less: Cash and cash equivalents	137.73	148.28
Net debt	(137.73)	(148.28)
Equity	3,390.52	2,439.87
Gearing ratio	(0.04)	(0.06)

B Dividend

Particulars	31 March 2026	31 March 2025
(i) Equity Shares (nos)	50.00	50.00
Final dividend for the year ended 31 March 2026 is INR 3.50 (31 March 2025 INR 2) per fully paid share)	175.00	100.00
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.3.50/- per fully paid equity share (31 March 2025 - Rs.2/-). 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	For the year 2025-26			For the year 2024-25			Variance (%)	Reason for variance more than 25%
	Particulars	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
1	Current Ratio [Current assets / current Liability]	4,097	1,441	2.84	3,019	1,194	2.53	12.43	
2	Debt-Equity Ratio [Debt/Equity]	-	3,391	-	-	2,440	NA	NA	
3	Debt Service Coverage Ratio [PBIDT/Interest + Interest Due]	1,173	57	20.41	1,098	50	21.83	(6.49)	
4	Return on Equity Ratio [(PAT)/(Total op. Equity + Total cl. Equity)/2]	1,053	2,915	0.36	990	1,962	0.50	(28.45)	For previous year PAT is 16.23% but for the year there is drop in PAT ie. 15.78%. This has impacted the ratio.
5	Inventory Turnover [Consumption / (op. Inventory + cl. Inventory)/2]	1,606	732	2.19	1,313	580	2.26	(3.08)	
6	Trade Receivables Turnover [Sales / (op. receivable + cl. Receivables)/2]	6,768	1,233	5.49	6,012	1,025	5.86	(6.42)	
7	Trade Payable Turnover [Consumption / (op. payables + cl. Payables)/2]	1,726	685	2.52	1,496	576	2.60	(2.99)	
8	Net Capital Turnover ratio [Sales/Working Capital]	6,768	2,656	2.55	6,012	1,825	3.29	(22.64)	Increase in Investment as compare to previous year impacted the ratio
9	Net profit Ratio [PAT/Sales]	1,053	6,768	0.16	990	6,012	0.16	(5.54)	
10	Return on Capital Employed [PBIT/TCE = (NW-DTA + debt + DTL)]	1,472	3,398	0.43	1,369	2,450	0.56	(22.47)	For previous year there was profit of 16.23% but for the year there is profit of 15.78%. This has impacted improve the ratio
11	Return on Investment [ROI = Interest received / Average Fix deposits]	-	-	NA	-	-	NA		

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 38: Segment reporting

Company operates in single operating segment of manufacturing and application of anti-corrosive coatings.

Note 39: Dues to Micro, Small, Medium Enterprises

Particulars	31 March 2026	31 March 2025
Total outstanding amount in respect of micro, small and medium enterprises	225.92	225.50
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 2026	31st March 2025
Contributions to Vikas Charitable Trust	-	2.70
Others	15.30	4.00
Total	15.30	6.70
Amount required to be spent as per Section 135 of the Act		
(a) amount required to be spent by the company during the year	15.30	6.70
(b) amount of expenditure incurred	15.30	6.70
(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	Health and education
(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	
	2025-26	2024-25
Domestic	6,759.94	6,001.73
Exports	-	
Total	6,759.94	6,001.73

b) Information about performance obligation

The company is in the business of manufacturing and 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 31 st March, 2026		As at 31 st March, 2025	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	-	415.87	-	162.65
Amount recognised in revenue	-	449.31	-	643.75
Amount received in advance during the reporting year	-	592.63	-	896.97
Revenue recognised out of deferred revenue	-	-	-	-
Revenue deferred due to non-fulfilment of performance obligation	-	-	-	-
Closing balance	-	559.19	-	415.87
Bifurcation of contract liabilities				
Advance from customers				
Current	-	559.19	-	415.87
Deferred revenue	-	559.19	-	415.87
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, 2026: Rs. Nil (For Previous year Rs. Nil)

e) Reconciliation of contracted price with revenue during the year

Particulars	2025-26	2024-25
Contract price	6,759.94	6,005.95
Adjustment for: Contract liabilities: Discounts, Incentives & Late delivery charge	-	(4.22)
Revenue from contracts with customers	6,759.94	6,001.73

Notes to Accounts

(Amounts in Rs. Lakhs, unless otherwise stated)

- f) **Remaining performance obligation** : As on 31st March, 2026 the company has unsatisfied performance obligation of Rs.4,031.57 (Rs.2324.23) which is expected conversion of the same in to revenue is as follows,

Ageing of Performance Obligation as on 31st March 2026

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	1,952.44	2,079.13		

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		

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 company to or any other person or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) No funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Note 48 : Code on Wages 2019’

On 21 November 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, thereby consolidating 29 existing labour laws. The Company has applied the revised definition of wages under the new Labour Codes while measuring employee benefit provisions. Pending the notification of the final Central and State Rules and related legal guidance, the Company has estimated the related obligations based on current legal interpretations and actuarial valuations. For the year ended 31 March 2026, the resultant impact under Employee Benefit Expenses amounted to approximately Rs. 37 Lakhs towards gratuity and Rs. 31 Lakhs towards long-term compensated absences in the financial statements.

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: 26136835QOGQKA8296

Pune

April 22, 2026

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 22, 2026



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