



ASHISH.V. PRABHU VERLEKAR & CO

Chartered Accountants

201, "Govinda ", Mahatma Gandhi Road, Panaji – 403 001 – Goa

☎ (0832) 2223812 | 📠 (0832) 2225456 | e-mail: info@vbprabhuverlekar.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Kineco Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kineco Limited ("the Company"), its subsidiaries and associate company (the Company, its subsidiaries and associate company together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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 on the consolidated financial statements.

Other Matter

The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this Auditor's Report comprises the information included in the Director's Report, but does not include the consolidated financial statements and our Auditor's Report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 12021.12 lakhs as at 31 March 2024, total revenues of Rs. 5,273.47 lakhs and net cash inflows amounting to Rs. 266.20 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we report the following qualifications or adverse remarks by the respective auditor in the Companies (Auditor's Report) Order (CARO) report of the associate company included in the consolidated financial statements.

Name of the Company	Clause no.	Remarks
Kineco Exel Composites India Private Limited	(xvii)	The Company has incurred cash losses amounting to Rs. 267.49 lakhs during the current financial year and Rs. Rs. 202.98 lakhs in the previous year.

Name of the Company		Clause no.	Remarks
Kineco Composites Private Limited	Exel India	(ix)d	On an overall examination of the financial statements of the Company and information and explanations provided by the management, funds raised on short-term basis have, prima facie, been used during the year for long-term purposes by the Company.
Kineco Composites Private Limited	Exel India	(xix)	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. However, the Company has obtained a letter of comfort from the Holding Company wherein the Holding Company has stated willingness to provide immediate financial support for its financial needs that enable the Company to meet its liabilities as they fall due for such period.

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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors, except for not complying with the requirement of audit trail as stated below.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. On the basis of reports of the statutory auditors of the subsidiaries and our report of the associate company, being private companies, the provisions of Section 197 of the Act related to managerial remuneration are not applicable.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate company, as noted in the ‘Other matter’ paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - iv. In respect of the Holding Company and associate company and on the basis of reports of the statutory auditors of the subsidiaries, we report that:
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Holding Company, subsidiaries and associate company have not proposed, declared or paid any interim or final dividend during the year.
- vi. Based on our examination of the Holding Company and the associate company and based on the audit report of the subsidiary company, the accounting software used by the Group for maintaining its books of account for the year end March 31, 2024 did not have a feature of recording audit trail (edit log) facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Ashish V. Prabhu Verlekar & Co.
Chartered Accountants

Firm's Registration No. 117774W



Ashish V. Prabhu Verlekar
Proprietor

Membership No. 103874
UDIN: 24103874BKAGXR7734

Place: Panaji - Goa
Date: 08.06.2024

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Kinenco Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies and associate company (the Holding Company, its subsidiaries and associate company together referred to as the "Group").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies.

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies is based solely on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matters.

For Ashish V. Prabhu Verlekar & Co.

Chartered Accountants

Firm's Registration No. 117774W



Ashish V. Prabhu Verlekar

Proprietor

Membership No. 103874

UDIN: 24103874BKAGXR7734

Place: Panaji - Goa

Date: 08.06.2024

Kineco Limited
Consolidated Balance Sheet as at March 31, 2024

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
		Rupees in lakhs	Rupees in lakhs
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	6,540.74	5,454.16
(b) Capital work-in-progress	3	-	355.91
(c) Intangible assets	4	341.14	258.93
(d) Intangible assets under development	4	289.17	-
(e) Right-of-use assets	5	192.47	203.85
		<u>7,363.52</u>	<u>6,272.85</u>
(f) Financial assets			
(i) Investments	6	1.32	0.84
(ii) Other financial assets	7	1,139.96	16.40
(g) Non current tax assets (net)	8	81.41	112.37
(h) Deferred tax assets (net)	9	-	141.97
(i) Other non-current assets	10	39.55	339.26
Total non-Current assets		<u>8,625.77</u>	<u>6,883.70</u>
(2) Current assets			
(a) Inventories	11	3,919.70	2,793.38
(b) Financial assets			
(i) Trade Receivables	12	8,897.43	9,131.68
(ii) Cash and cash equivalents	13	1,162.48	1,313.41
(iii) Other bank balances	14	1,913.82	852.02
(iv) Other current financial assets	15	283.78	341.21
		<u>12,257.51</u>	<u>11,638.32</u>
(c) Other current assets	16	1,762.78	1,864.98
Total Current assets		<u>17,939.99</u>	<u>16,296.68</u>
Total Assets		<u>26,565.75</u>	<u>23,180.37</u>
EQUITIES AND LIABILITIES			
Equity			
(a) Equity share capital	17	626.42	626.42
(b) Other equity	18	2,232.95	1,733.05
(c) Non controlling interest		2,329.81	2,094.57
Total equity		<u>5,189.18</u>	<u>4,454.04</u>
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	3,703.44	4,960.57
(ii) Lease liabilities	20	78.09	96.29
(b) Deferred tax liabilities (net)	9	79.94	-
(c) Provisions	21	188.19	159.49
(d) Other non current liabilities	22	1,165.14	89.08
Total non-current liabilities		<u>5,214.80</u>	<u>5,305.43</u>
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	8,324.87	8,659.84
(ii) Lease liabilities	24	27.27	12.13
(iii) Trade Payables	25		
A. Total outstanding dues of micro enterprises and small enterprises; and		37.46	8.06
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,538.32	4,212.46
(iv) Other financial liabilities	26	28.67	156.81
(b) Provisions	27	176.38	130.68
(c) Current tax liabilities (net)	28	6.08	18.92
(d) Other current liabilities	29	3,022.72	222.01
Total current liabilities		<u>16,161.77</u>	<u>13,420.91</u>
Total liabilities		<u>21,376.57</u>	<u>18,726.34</u>
Total equity and liabilities		<u>26,565.75</u>	<u>23,180.37</u>

See accompanying notes to the financial statements

1 to 57

In terms of our report attached.

For M/S ASHISH V. PRABHU VERLEKAR & CO
Chartered Accountants
Firm Membership no.117774W

CA. Ashish V. Prabhu Verlekar
Proprietor
Membership No. 103874



Place : Panaji, Goa

Date : 08 JUN 2024

For and on behalf of the Board of Directors
Kineco Limited

Shekhar Sardesai
Executive Vice Chairman & Managing Director
DIN No. 00016446

Vivekanand Pauskar
Chief Financial Officer

Place : Pilerne, Goa

Date : 28 MAY 2024

Prashant Naik
Director
DIN No. 01866193

Manisha Naik Shirgaonkar
Company Secretary
M. No. A3473



Kineco Limited

Consolidated Statement of Profit and Loss for the period ended March 31, 2024

Particulars	Note No.	Year ended March 31, 2024 Rupees in lakhs	Year ended March 31, 2023 Rupees in lakhs
I Revenue from operations	30	17,452.32	16,722.23
II Other income	31	567.39	216.34
III Total income (I + II)		<u>18,019.70</u>	<u>16,938.57</u>
IV Expenses			
(a) Cost of materials consumed	32	8,510.14	9,373.68
(b) Changes in inventories of finished goods and work in progress	33	(195.84)	(144.07)
(c) Employee benefits expense	34	2,917.78	2,813.92
(d) Finance costs	35	1,200.73	1,105.92
(e) Depreciation and amortisation expense	3 & 4	863.79	685.19
(f) Other expenses	36	3,612.22	3,971.73
Total expenses (IV)		<u>16,908.81</u>	<u>17,806.37</u>
V Profit before tax		<u>1,110.90</u>	<u>(867.80)</u>
VI Tax expense			
(a) Current tax		133.62	219.81
(b) Deferred tax		216.97	(274.62)
(c) Tax of prior years		(6.58)	2.96
VII Profit for the year (V - VI)		<u>766.89</u>	<u>(815.95)</u>
VIII Share of profit/(loss) of associate (net)		-	(26.80)
IX Profit for the period after share of loss of associate (VII - VIII)		<u>766.89</u>	<u>(842.75)</u>
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		27.28	11.67
(ii) Equity instruments through other comprehensive income		(0.48)	(0.29)
(iii) Income tax relating to items that will not be reclassified to profit or loss		4.94	(1.09)
XI Total comprehensive income for the year (VII - VIII)		<u>735.14</u>	<u>(853.04)</u>
Net profit attributable to:			
Owners of the company		519.62	(1,149.44)
Non controlling interest		247.27	306.69
Other comprehensive income attributable to			
Owners of the company		(19.72)	(12.96)
Non controlling interest		(12.03)	2.67
Total comprehensive income attributable to			
Owners of the company		499.90	(1,162.40)
Non controlling interest		235.24	309.36
X Earnings per equity share			
Basic		11.74	(13.62)
Diluted		11.74	(13.62)

See accompanying notes to the financial statements

1 to 57

In terms of our report attached.

For M/S ASHISH V. PRABHU VERLEKAR & CO
Chartered Accountants
Firm Membership no. 117774W

CA. Ashish V. Prabhu Verlekar
Proprietor
Membership No. 103874



For and on behalf of the Board of Directors
Kineco Limited

Shekhar Sardesai
Executive Vice Chairman &
Managing Director
DIN No. 00016446

Vivekanand Pauskar
Chief Financial Officer

Prashant Naik
Director
DIN No. 01866113

Manisha Naik Shirgaonkar
Company Secretary
M. No. A34734



Place : Panaji, Goa

Date : 08 JUN 2024

Place : Pilerne, Goa

Date : 28 MAY 2024

KINECO LIMITED
41 - PILERNE INDUSTRIAL ESTATE, PILERNE, BARDEZ - GOA - 403 511

Consolidated Cash Flow Statement for year ended 31st March 2024

		Rupees in lakhs	
Particulars	Year ended March 31, 2024	Year ended March 31, 2023	
Cash Flows from Operating Activities			
Total comprehensive income for the year	735.14	(853.04)	
<u>Add:</u>			
(a) Depreciation and amortisation expenses	863.79	685.19	
(b) Income Tax expense	127.04	222.77	
(c) Provision for doubtful debts	22.17	11.10	
(d) Interest on Borrowings	1,200.73	1,105.92	
(e) Deferred tax	221.91	(275.71)	
(f) Deferred revenue grant on Asset procurement	(15.78)	(9.33)	
(g) Gain on sale of Property Plant and Equipment	(2.12)	(14.42)	
(h) Provision for employee benefits (net)	22.17	(9.49)	
(i) Share of loss of Joint Venture	-	26.80	
(j) Equity instruments through OCI	(0.48)	(0.29)	1,742.54
<u>Less:</u>			
(a) Interest Income	189.52	113.31	
(b) Unrealised exchange gain / (Loss)	101.49	(6.09)	(107.23)
Profit before changes in working capital	2,883.57	782.27	
<u>Adjustment for Increase / (Decrease) in operating Liabilities</u>			
(a) Trade payables	333.08	1,059.09	
(b) Short-term provisions	32.86	12.13	
(c) Long-Term Provisions	1,104.76	13.85	
(d) Other current liabilities	2,800.71	(129.30)	
<u>Adjustment for (Increase) / Decrease in operating Assets</u>			
(a) Inventories	(1,126.33)	(330.34)	
(b) Trade receivables	212.08	(2,923.74)	
(c) Other current assets	(17.80)	562.75	
(d) Other current financial assets	57.43	(129.75)	
(e) Other financial assets	(1,123.56)	(5.21)	
(f) Right-of-use assets	11.38	11.43	
(g) Other non-current assets	299.71	(151.48)	(2,010.57)
Cash generated from Operations	5,467.89	(1,228.30)	
<u>Less:</u> Income tax payments	(83.21)	(152.48)	(152.48)
Net Cash generated from / (used in) Operating Activities	5,384.69	(1,380.78)	
Cash Flows from Investing Activities			
(a) Purchase of Fixed Assets	(1,964.06)	(1,393.42)	
(b) Sale proceeds of Property, Plant and Equipment	3.25	60.20	
(c) Loan to Kineco Exel Composites India Pvt Ltd	120.00	-	
(d) Interest received	189.52	113.31	(1,219.90)

A handwritten signature in blue ink is written over a circular purple stamp. The stamp contains the text "KINECO LIMITED" at the top, "PLOT No. 41" in the center, and "PILERNE IND. ESTATE" at the bottom.

KINECO LIMITED
41 - PILERNE INDUSTRIAL ESTATE, PILERNE, BARDEZ - GOA - 403 511

Consolidated Cash Flow Statement for year ended 31st March 2024

		Rupees in lakhs	
Particulars	Year ended March 31, 2024	Year ended March 31, 2023	
Cash Flows from Financing Activities			
(a) Repayment of Long Term Borrowing	(1,275.33)	(140.69)	
(b) Short Term Borrowing	(319.83)	3,226.33	
(c) Loan term debt under current Liabilities	(128.14)	81.89	
(d) Dividend paid to non - controlling shareholders	-	(245.00)	
(e) Interest on Borrowings	(1,200.73)	(1,105.92)	
	(2,924.02)	1,816.61	
Net Increase / (Decrease) in cash and cash equivalents	809.37	(784.07)	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	101.49	(6.09)	
Add:			
Opening balance of cash and cash equivalents	2,165.43	2,955.59	
Closing balance of cash & cash equivalents	3,076.30	2,165.43	
Reconciliation of Cash and cash equivalents with the Balance Sheet			
Cash and cash equivalents	1,162.48	1,313.41	
Other bank balances	1,913.82	852.02	
	3,076.30	2,165.43	

See accompanying notes to the financial results

1 to 57

Footnotes:

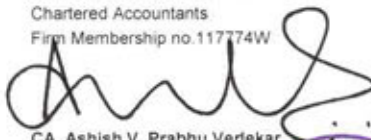
- 1 Figures in brackets represent outflows
- 2 See accompanying notes forming part of the financial statements

As per our report of even date attached

For M/S ASHISH V. PRABHU VERLEKAR & CO

Chartered Accountants

Firm Membership no. 117774W



CA. Ashish V. Prabhu Verlekar

Proprietor

Membership No. 103874



Place: Panaji - Goa

Date: 08 JUN 2024

For and on behalf of the Board
Kineco Limited


Shekhar Sardesai
 Executive Vice Chairman &
 Managing Director
 DIN No. 00016446



Vivekanand Pauskar
 Chief Financial Officer

Place: Pilerne - Goa

Date: 28 MAY 2024



Prashant Naik
 Director
 DIN No. 01866113



Manisha Naik Shirgaonkar
 Company Secretary
 M. No. A34734



Kineco Limited

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

A Equity Share Capital

Particulars	Rupees in lakhs
Balance as at April 1, 2022	626.42
Changes in equity share capital during the year	-
Balance as at March 31, 2023	626.42
Changes in equity share capital during the year	-
Balance as at March 31, 2024	626.42

B Other Equity

Rupees in lakhs

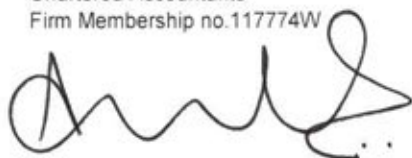
Particulars	Reserves and surplus			Other Comprehensive		Total
	Securities Premium	Capital Reserves	Retained earnings	Re-measurement of defined benefit obligations	Equity instruments through other comprehensive income	
Balance as at March 31, 2022	2,479.89	10.07	416.82	(12.00)	0.65	2,895.44
Add/ (Less)						
Profit/ (loss) for the year	-	-	(1,149.44)	-	-	(1,149.44)
Other comprehensive income for the year	-	-	-	(13.25)	0.29	(12.96)
Total Comprehensive Income for the year	-	-	(1,149.44)	(13.25)	0.29	(1,162.40)
As at March 31, 2023	2,479.89	10.07	(732.62)	(25.24)	0.94	1,733.05
Add/ (Less)						
Profit/ (loss) for the year	-	-	519.62	-	-	519.62
Other comprehensive income for the year	-	-	-	(20.19)	0.48	(19.72)
Total Comprehensive Income for the year	-	-	519.62	(20.19)	0.48	499.90
As at March 31, 2024	2,479.89	10.07	(213.00)	(45.44)	1.42	2,232.95

See accompanying notes to the financial statements

1 to 57

In terms of our report attached.

For M/S ASHISH V. PRABHU VERLEKAR & CO
Chartered Accountants
Firm Membership no.117774W



CA. Ashish V. Prabhu Verlekar
Proprietor
Membership No. 103874



Place : Panaji, Goa

Date : 08 JUN 2024

For and on behalf of the Board of Directors
Kineco Limited



Shekhar Sardesai
Executive Vice Chairman
& Managing Director
DIN No. 00016446



Vivekanand Pauskar
Chief Financial Officer

Place : Pilerne, Goa

Date : 28 MAY 2024



Prashant Naik
Director
DIN No. 01866113



Manisha Naik Shirgaonkar
Company Secretary
M. No. A34734



Kineco LIMITED

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2024

1 Company information

Kineco Limited (the "Company") is a public limited company incorporated on October 10, 1994 under the name and style "Mass Kinematics Pvt. Ltd." a private limited company. On 10th January, 2001 the name of the company was changed from Mass Kinematics Private Limited to Kineco Private Limited and thereafter it has converted from Private Limited Company to a Public Company on 23rd March, 2016. Kineco Limited having its registered office and works at plot no 41 – Pilerne Industrial Estate, Pilerne, Bardez – Goa 403511 is a multi-dimensional composite producer having state-of-the-art manufacturing facilities (ISO9001-2008 & AS9100 certified) at Goa, India. Kineco Limited offers a wide spectrum of composites for Aerospace, Defense, Railways, Automotive, Motorsport, Telecommunication & Chemical Industries.

Kineco Limited together with its subsidiaries is hereinafter referred to as "the Group".

Kineco had formed a joint venture company with Alte, Spain for rail car interiors/exterior and toilet modules/systems called "Kineco Alte Train Technologies Private Limited", and is currently holding 89.66% stake in the entity. Further, Kineco also formed joint venture company with Kaman Aerospace Group (subsidiary of Kaman Corporation, USA) called "Kineco Kaman Composites India Private Limited", and is currently holding 51% stake in the entity to which the existing advance composite division "aerospace business" was transferred. Both these companies comprise subsidiaries of Kineco Limited.

In 2015 Indo National Limited, a listed company through its subsidiary company Helios Strategic Systems Limited acquired 51% controlling stake in Kineco Limited. Accordingly Kineco Limited is subsidiary of Helios Strategic Systems Limited and the ultimate holding company is Indo National Limited.

On 14 October 2021 Kineco signed an agreement to establish a Joint Venture to develop the Indian pultrusion market together with Exel Composites Oyj, a Nasdaq Helsinki listed, globally recognized composites company. This Joint Venture will enable the Company to grow its Pultrusion Business, by leveraging global Pultrusion technology and market knowhow offered by Exel Composites Oyj, while making use of Kineco's existing local know-how and resources in the Indian market.

The Group's consolidated financial statements are approved for issue by the Board of Directors on May 25, 2024.

2 Significant accounting policies**a Statement of compliance**

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b Basis of preparation

The financial statements of the Group have been prepared on a going concern basis under historical cost convention and on an accrual method except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value as required by the relevant Ind AS. Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c Basis of consolidation

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

d Functional and Presentation Currency

The financial statements are prepared in Indian Rupees, which is the Group's presentation and the functional currency. All financial information presented in Indian Rupees has been rounded off to the nearest lakhs with two decimals, unless otherwise stated.

e Operating Cycle

All assets and liabilities have been classified as current and non-current having regard to the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS-1- "Presentation of Financial Statements".

f Use of estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported amounts of income and expenses for the years presented. Actual results could differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

i) Useful lives of property, plant and equipment and intangible assets:

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation or amortisation expense in future periods.



Kineco LIMITED

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2024

ii) **Valuation of deferred tax assets:**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2 (o) below.

iii) **Actuarial Valuation:**

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

iv) **Provisions and Contingent Liabilities:**

The policy for the same has been explained under Note 2 (n) below.

g **Property, plant and equipment**

Property, plant and equipment are carried at acquisition cost (net of refundable taxes - primarily input credit relating to Central Excise, State VAT and Goods and Service Tax) less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment include purchase price, expenses incidental to making the assets ready for its intended use, attributable borrowing costs and net of any trade discounts and rebates. Subsequent expenditure on property, plant and equipment, after its purchase / completion, is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Depreciation on property, plant and equipment is provided on a pro-rata basis using the straight line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

All items of property, plant and equipment costing less than Rs. 5,000 each are fully depreciated in the year of acquisition.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

h **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Computer software licenses are amortised over their estimated useful life on a straight line basis.

i **Impairment of property, plant and equipment and intangible assets**

The carrying value of property, plant and equipment and intangible assets is reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

j **Leases**

Rentals payable towards leases of land under an operating lease arrangement, where risk and rewards incidental to ownership of an asset substantially vest with the lessor are charged to the Statement of Profit and Loss on a straight-line basis over the period of the relevant lease.

Group as a Lessee:

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, adopts either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.



Kineco LIMITED**Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2024**

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

k Inventories

Inventories are valued at the lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods and work in progress include apportionment of overheads. Net realisable value is the estimated selling price less estimated costs for completion and sale.

l Statement of cash flows

Statement of cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Cash and cash equivalents:

Cash and bank balances, which have original maturities up to three months, are included in the Group's cash balances in the Statement of cash flows. The Group did not have any cash equivalents as at March 31, 2024 and March 31, 2023.

m Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Provisions for the expected cost of warranty obligations under the terms of contract with the customers are recognised at the managements best estimate of the expenditure required to settle the warranty obligation.

A contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed when an inflow of economic benefits is probable.

n Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a product or service to a customer. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods and services to its customers.

The Group recognises unearned revenue (i.e. contract liabilities) for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Balance Sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises as unbilled revenue (i.e. contract assets) in its Balance Sheet, depending on whether something other than the passage of time is required before the consideration is due. The Group presents revenues net of indirect taxes in its Statement of Profit and loss.

o Taxes on income

Tax expenses for the year, comprising of current tax and deferred tax, are included in the determination of net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing tax laws and includes any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

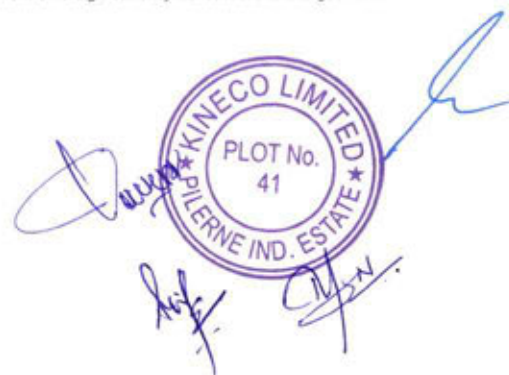
Deferred tax is provided / recognised using the balance sheet method, on all deductible temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credit and unused tax losses. Deferred tax assets and liabilities are measured using tax rates that are substantively enacted at the balance sheet date. At each balance sheet date the Group evaluates the carrying amount of deferred tax assets and reduces the value of such deferred tax assets to the extent it is no longer probable that sufficient taxable profit will be available to allow all or a part of deferred tax asset to be utilised/recovered.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing tax laws and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

p Foreign currency transactions and translations

Transactions in currencies other than the functional currency are translated into functional currency at the exchange rates prevailing on the date of the transaction or at rates that closely approximates the rate at the date of the transaction. Monetary items denominated in other currencies outstanding at the reporting date are translated into functional currency at the year end rates. Non-monetary items denominated in other currencies and that are measured in terms of historical cost are translated at the exchange rates prevailing on the dates on which such values are determined. Exchange differences arising on restatement or settlement of foreign currency transactions is charged to the Statement of Profit and Loss.



Kineco LIMITED

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2024

q Borrowings and borrowing costs

The Group borrows funds in Indian Rupees. These borrowings carry a fixed rate or floating rate of interest. The liabilities are initially measured at the amount borrowed and subsequently stated at the outstanding amounts. Interest accrued but not due which is in the nature of current liability is classified as part of 'Other current financial liabilities'. Amount outstanding in respect of foreign currency borrowings are stated at the exchange rate at the Balance Sheet date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense as per Effective Interest Rate (EIR). The borrowing costs in respect of foreign currency borrowings are adjusted for exchange differences, to the extent they are regarded as an adjustment to the interest cost.

r Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares in issue during the year.

The weighted average number of ordinary shares in issue during the year are adjusted for events that have changed the number of ordinary shares in issue without a corresponding change in recoveries.

s Employee benefits**i) Short term**

Short term employee benefits include salaries, allowances and performance incentives. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the year when the employees render the service to the Group.

ii) Long term

The Group has defined contribution and defined benefit plans. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees.

Defined contribution plans

The Group's contribution to provident fund and family pension fund made to regulatory authorities and where the Group has no further obligation are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.

Defined benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries (using the projected unit credit method) in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains/losses are recognised, in full in the other comprehensive income in the year in which they arise.

Other employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on ailment of encashment of such accrued benefit or where the ailment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

t Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

i) Financial assets**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Financial assets as fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has elected to present subsequent changes in fair value in other comprehensive income in case of investments based on its business model.



Kineco LIMITED

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2024

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit or Loss.

Impairment of financial assets

The Group recognises loss allowance using the Expected Credit Loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to 12 months expected credit losses or lifetime Expected Credit Loss. The Group had used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

The Group derecognises an financial asset when (i) the contractual rights to receive cash flows from the asset expire, or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement, and (a) the Group has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of the financial asset in its entirety, the difference between the assets carrying amount measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

ii) Financial liabilities and equity instruments**Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net off direct issue costs.

Financial Liabilities

All financial liabilities that are not held-for-trading and are not designated as at FVTPL are subsequently measured at amortised cost using the effective interest method. The interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender or debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is current enforceable legal right to offset the recognised amounts and it is intended to either settle on a net basis or to realise the assets and settle the liabilities simultaneously.

iii) Derivative financial instruments

The Group enters into derivative financial instruments in the nature of forward exchange contracts, to manage its exposure to foreign exchange rate risks on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are marked to market and gain/ loss on such contracts is recognised in the Statement of Profit and Loss at the end of each reporting period. The derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

u Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and the Group will comply with the conditions attached to them.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the Statement of Profit and Loss in the same period as the related cost which they are intended to compensate are accounted for.



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

3 Property, plant and equipment and capital work-in-progress

Carrying amounts of:

Buildings
Plant and equipment
Electrical Fittings
Furniture and fixture
Vehicles
Office equipments
Computers
Laboratory Equipment
Composites, Tooling, Patterns & Dies

As at March 31, 2024	As at March 31, 2023
Rupees in lakhs	Rupees in lakhs
2,366.12	2,416.06
3,092.38	1,891.65
54.64	57.65
81.29	90.03
95.54	93.39
35.85	32.52
50.68	78.46
2.97	4.03
761.27	790.37
6,540.74	5,454.16
-	355.91
6,540.74	5,810.07

Capital work-in-progress*

Particulars	Rupees in lakhs									
	Buildings	Plant and equipment	Electrical Fittings	Furniture and fixture	Vehicles	Office equipment	Computers	Laboratory Equipment	Composite Tooling, Patterns & Dies	Total
Gross carrying amount										
As at March 31, 2022	2,907.33	3,335.72	120.50	173.31	160.43	169.83	259.67	9.27	1,477.22	8,613.30
Additions	88.06	296.48	6.72	19.29	84.96	12.14	56.73	1.51	641.89	1,207.79
Disposal	-	1.77	-	1.76	95.29	2.22	2.97	-	-	103.99
As at March 31, 2023	2,995.40	3,630.44	127.22	190.84	150.11	179.75	313.43	10.78	2,119.11	9,717.10
Additions	46.07	1,481.07	6.43	7.88	25.83	17.36	7.85	-	306.34	1,898.82
Disposal	-	0.92	-	-	22.65	-	-	-	-	23.57
As at March 31, 2024	3,041.47	5,110.59	133.65	198.72	153.28	197.11	321.29	10.78	2,425.45	11,592.35
Accumulated depreciation										
As at March 31, 2022	486.23	1,529.96	60.81	86.63	83.26	133.92	204.66	5.90	1,120.72	3,712.15
Depreciation expenses	93.10	209.76	8.76	15.95	23.19	15.30	33.29	0.85	208.02	608.22
Elimination on disposal	-	0.94	-	1.76	49.74	1.98	2.97	-	-	57.41
As at March 31, 2023	579.34	1,738.78	69.57	100.81	56.72	147.23	234.98	6.75	1,328.74	4,262.96
Depreciation expenses	96.01	280.03	9.43	16.62	22.55	14.03	35.63	1.05	335.43	810.78
Elimination on disposal	-	0.60	-	-	21.52	-	-	-	-	22.12
As at March 31, 2024	675.35	2,018.21	79.00	117.44	57.74	161.26	270.60	7.81	1,664.18	5,051.62
Net carrying amount										
As at March 31, 2022	2,421.10	1,805.76	59.69	86.68	77.16	35.91	55.01	3.37	356.50	4,901.14
As at March 31, 2023	2,416.06	1,891.65	57.65	90.03	93.39	32.52	78.46	4.03	790.37	5,454.16
As at March 31, 2024	2,366.12	3,092.38	54.64	81.29	95.54	35.85	50.68	2.97	761.27	6,540.74

* Capital Work-in-progress ageing schedule

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rupees in Lakhs		Rupees in Lakhs	
	Projects in	Projects	Projects in	Projects
Less than 1 year	-	-	231.31	-
1-2 years	-	-	123.68	-
2-3 years	-	-	0.92	-
More than 3 years	-	-	-	-
Total	-	-	355.91	-



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

4 Other intangible assets

	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
Carrying amounts of:		
Filament Winding Project	0.00	1.01
Sky Bus Coaches Project	12.45	21.77
Optical Telescopic Structures	101.02	115.46
Sonar Dome for R&DEE and BEL for Ships	0.00	(0.00)
TOT for R&DEE	81.17	97.40
Single & Double Leaf Door	121.26	-
Computer Softwares	25.24	23.29
	<u>341.14</u>	<u>258.94</u>
Intangible assets under development	289.17	-
	<u>630.32</u>	<u>258.94</u>

	Rupees in lakhs							
Particulars	Filament Winding Project	Sky Bus Coaches Project	Optical Telescopic Structures	Sonar Dome for R&DEE and BEL for Ships	TOT for R&DEE	Single & Double Leaf Door	Computer Softwares	Total
Gross carrying amount								
As at March 31, 2022	59.10	186.47	288.67	99.46	161.10	-	243.04	1,037.84
Additions	-	-	-	-	-	-	3.90	3.90
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2023	59.10	186.47	288.67	99.46	161.10	-	246.94	1,041.75
Additions	-	-	-	-	-	121.26	13.97	135.23
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2024	59.10	186.47	288.67	99.46	161.10	121.26	260.92	1,176.98
Accumulated depreciation								
As at March 31, 2022	55.13	155.37	158.78	89.53	47.47	-	199.55	705.83
Depreciation expenses	2.95	9.32	14.44	9.93	16.23	-	24.10	76.97
Elimination on disposal	-	-	-	-	-	-	-	-
As at March 31, 2023	58.08	164.69	173.21	99.46	63.70	-	223.65	782.80
Depreciation expenses	0.99	9.32	14.44	-	16.23	-	12.03	53.01
Elimination on disposal	-	-	-	-	-	-	-	-
As at March 31, 2024	59.08	174.02	187.65	99.46	79.93	-	235.67	835.81
Net carrying amount								
As at March 31, 2022	3.97	31.10	129.90	9.93	113.63	-	43.49	332.01
As at March 31, 2023	1.01	21.77	115.46	(0.00)	97.40	-	23.29	258.93
As at March 31, 2024	0.00	12.45	101.02	0.00	81.17	121.26	25.24	341.14

* Intangible assets under development ageing schedule

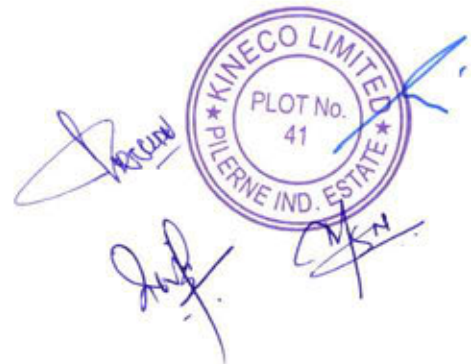
Particulars	As at March 31, 2024		As at March 31, 2023	
	Rupees in Lakhs		Rupees in Lakhs	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	289.17	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	289.17	-	-	-



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
5 Right-of-use assets		
Right-of-use of leased assets (Refer Note No. 42)	192.47	203.85
Total	192.47	203.85
6 Non Current Investment		
Quoted - Investment carried at fair value through other comprehensive income	1.32	0.84
Equity Instruments		
500 Equity Shares of Bank of Baroda of Rs. 2/- fully paid up (as at 31 March 2023, 500 Equity shares of Rs.2/- each)		
Unquoted - Investment carried at Cost		
Investment in Equity Instruments of Joint Venture		
82,870 Equity Shares of Rs.100/- fully paid up of Kineco Exel Composites India Private Limited	82.87	82.87
Less : Share of (loss)	(82.87)	(82.87)
Total	1.32	0.84
7 Other financial assets		
Security deposits	22.38	16.40
Bank deposits with more than 12 months maturity	1,075.00	
Interest accrued on Bank deposits with more than 12 months maturity	42.58	
Total	1,139.96	16.40
8 Non-current tax assets (net)		
Income tax payments less liabilities	81.41	112.37
Total	81.41	112.37



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
9 Deferred tax assets (Net)		
Deferred tax liabilities:		
Depreciation allowance	447.27	391.72
	<u>447.27</u>	<u>391.72</u>
Deferred tax assets:		
Provision for employee benefits	110.75	87.92
Amount inadmissible u/s 40(a)	-	-
Provision for doubtful debts	6.87	0.03
Unabsorbed depreciation and business losses	249.72	445.74
	<u>367.34</u>	<u>533.69</u>
Net deferred tax assets / (liability)	<u>(79.94)</u>	<u>141.97</u>
10 Other non-current assets (Unsecured, considered good, unless otherwise stated)		
Capital advances	12.22	274.76
Prepaid expenses	21.50	58.67
<u>Balance with government authorities</u> GST and Customs Duty Receivable	5.83	5.83
Total	<u>39.55</u>	<u>339.26</u>
11 Inventories (At the lower of cost and net realisable value)		
Raw materials (Including Goods-in-transit of Rs 187.79 lakhs (as at March 31, 2023 Rs 114.18 lakhs)	2,316.24	1,575.48
Work in progress	1,019.08	536.86
Consumables, stores and spares (Including Goods-in-transit of Rs 120.31 lakhs (as at March 31, 2023 Rs 20.62 lakhs)	567.99	378.27
Finished Goods	16.39	-
Stock-in-trade	-	302.77
Total	<u>3,919.70</u>	<u>2,793.38</u>



KINECO LIMITED
PLOT No. 41
PILERNE IND. ESTATE

Kinenco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
13 Cash and cash equivalents		
Cash on hand	1.41	0.48
Balances with banks		
In current accounts	20.98	441.07
In EEFC accounts	588.56	31.79
Term deposits with original maturity period of more than three months	551.53	840.07
Total	1,162.48	1,313.41
14 Other bank balances		
Margin money deposit (represents amounts pledged with banks as security for guarantees issued and letters of credit)	122.61	271.26
Term deposits with original maturity period of more than three months	1,791.21	580.76
Total	1,913.82	852.02
15 Other current financial assets		
(Unsecured considered good unless otherwise stated)		
Interest accrued on bank deposits	103.22	56.03
Earnest Money & Security Deposits	180.56	285.18
Receivable against sale of property, plant and equipment	-	-
Total	283.78	341.21
16 Other current assets		
(Unsecured considered good unless otherwise stated)		
Advances to employees	5.76	10.08
Prepaid expenses	107.65	147.10
Advances to Suppliers	561.91	98.37
Amounts with government authorities	912.93	1,606.82
Advance to Kinenco Exel	120.00	-
Export incentives receivable	51.92	-
Contract assets	2.61	2.61
Contract assets comprises of the custom duties paid for import of tools supplied by customer free of charge to be used in the manufacture of the parts to be delivered as per contract with the customer.		
Total	1,762.78	1,864.98



KINENCO LIMITED
PLOT No. 41
PILERNE IND. ESTATE

Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in Lakhs	Rupees in Lakhs
12 Trade receivables		
Trade receivables - unsecured		
(i) Considered good	8,897.43	9,131.68
(ii) Significant increase in credit risk	78.24	56.07
	<u>8,975.67</u>	<u>9,187.75</u>
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	<u>(78.24)</u>	<u>(56.07)</u>
Total	<u>8,897.43</u>	<u>9,131.68</u>

* Movement in the allowance for bad and doubtful debts (expected credit loss allowance)

Balance at March 31, 2022

53.47

Add: Created during the year

11.10

Less: Released during the year

8.50

Balance at March 31, 2023

56.07

Add: Created during the year

22.17

Less: Released during the year

-

Balance at March 31, 2024

78.24

Trade Receivables Ageing

Particulars	As at March 31, 2024 (Rs in Lakhs)						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,571.00	1,307.92	27.41	30.18	-	-	8,936.51
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.25	0.12	38.79	39.16
Total	7,571.00	1,307.92	27.41	30.44	0.12	38.79	8,975.67

Particulars	As at March 31, 2023 (Rs in Lakhs)						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,222.88	1,295.59	614.11	-	-	-	9,132.58
(vi) Disputed Trade Receivables – credit impaired	-	-	0.15	16.27	6.80	31.95	55.17
Total	7,222.88	1,295.59	614.26	16.27	6.80	31.95	9,187.75



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
17 Equity Share capital		
<u>Authorised</u>		
80,00,000 (as at March 31, 2023 80,00,000) equity shares of Rs.10 each	800.00	800.00
12,50,000 (as at March 31, 2023 12,50,000) Cumulative Redeemable Preference Shares of Rs. 100 each	1,250.00	1,250.00
	<u>2,050.00</u>	<u>2,050.00</u>
<u>Issued, subscribed and fully paid up</u>		
62,64,183 (as at March 31, 2023 62,64,183) Equity shares of Rs.10 each	626.42	626.42
Total	<u>626.42</u>	<u>626.42</u>

Footnotes:**a. Reconciliation of equity shares and amounts outstanding:**

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Rupees in lakhs	Number of Shares	Rupees in lakhs
At the beginning of the year	6,264,183	626.42	6,264,183	626.42
Add: Issued during the year	-	-	-	-
At the end of the year	<u>6,264,183</u>	<u>626.42</u>	<u>6,264,183</u>	<u>626.42</u>

b. Shareholding of Promoters:

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	% holding	Number of Shares	% holding
Shekhar Sardesai	2,558,605	41%	2,558,605	41%
Helios Strategic Systems Ltd	3,194,153	51%	3,194,153	51%

c. Rights, preferences and restrictions attached to equity shares:

The Company has 62,64,183 issued, Subscribed & Paid up equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after settlement of all preferential amounts. The distribution will be in proportion to equity shares held by the shareholders. The Dividend proposed by Board of Directors is subject to approval of shareholders at the ensuing Annual General Meeting except in case of interim dividend.

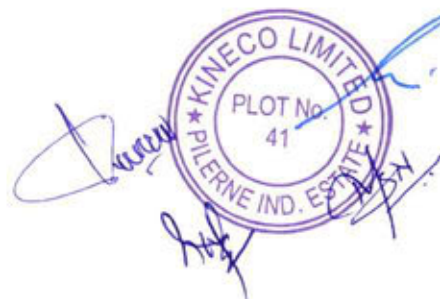
d. Details of shareholders holding more than 5% shares

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	% holding	Number of Shares	% holding
Shekhar Sardesai	2,558,605	41%	2,558,605	41%
Helios Strategic Systems Ltd	3,194,153	51%	3,194,153	51%

In 2015, the company entered into shareholders agreement with the promoter, Mr. Shekhar Sardesai and Helios Strategic Systems Ltd, wherein it was agreed to conduct the operations of the company as a joint venture between the Promoter and Helios, and to jointly manage and grow the Company.

d. Preference Shares

The Company has issued 8,00,000 1% Cumulative Optionally Convertible Preference Shares of Rs. 100/- each. The terms of contract require contractual payments in cash at the time of redemption at premium and 1% dividend on cumulative basis. The management is of the view that the equity component of these preference shares is 'NIL' since the returns to be paid on these instruments are equivalent to the prevalent rate on borrowings and hence the entire amount is considered under non current borrowings as liability component.



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

18	Other Equity	Rupees in lakhs					
		Reserves and surplus			Other Comprehensive Income	Total	
	Particulars	Securities Premium	Capital Reserves	Retained earnings	Remeasurement of defined benefit obligations	Equity instruments through other comprehensive income	
	Balance as at March 31, 2022	2,479.89	10.07	141.35	(5.95)	0.47	2,625.82
	Add/ (Less)						
	Profit/ (loss) for the year	-	-	(1,149.44)			(1,149.44)
	Other comprehensive income for the year				(13.25)	0.29	(12.96)
	Total Comprehensive Income for the year	-	-	(1,149.44)	(13.25)	0.29	(1,162.40)
	As at March 31, 2023	2,479.89	10.07	(1,008.09)	(19.20)	0.75	1,463.43
	Add/ (Less)						
	Profit/ (loss) for the year	-	-	519.62	-	-	519.62
	Other comprehensive income for the year				(20.19)	0.48	(19.72)
	Total Comprehensive Income for the year	-	-	519.62	(20.19)	0.48	499.90
	Balance as at March 31, 2024	2,479.89	10.07	(488.47)	(39.39)	1.22	1,963.33



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
19 Non - Current borrowings		
Working Capital Term Loan (Secured)		
From Banks (see footnote a below)	1,312.96	1,840.31
Term loans (secured)		
From others (see footnote c below)	44.10	57.44
From banks (see footnote b below)	854.67	426.24
Liability Component of Preference Shares (see footnotes d, e, f below)	1,001.71	1,336.58
Term Loans from others (unsecured) (see footnote g below)	490.00	490.00
Loans and advances from related party (unsecured)		
From Helios (see footnote g below)	-	735.00
From Mr Shekhar Sardesai (see footnote g below)	-	75.00
Total	3,703.44	4,960.57

Footnotes:

a. Working Capital Term Loans from Banks are Secured by hypothecation of stocks of Raw Material, Stock in Process, Finished goods, Consumables and book-debts and all other current assets. Secured by mortgage of land and building and movable assets at plot no. 34, 35, 36, 41, 42, 43 and 61A. Extension of charge over remaining fixed assets. Also secured by personal guarantee of Shekhar Sardesai and Ultimate Holding Company, Indo National Limited.

b. Vehicle loan from Mercedes Benz Financial Services India Private Limited is a secured facility with exquisite first charge on the vehicle financed from this facility. The loan carries an interest rate of 8.5525% per annum is repayable in 36 equated monthly instalments of Rs. 1.42 lakhs each, the last instalment payable in November 2025, after which the vehicle will be sold to the financier at an amount of Rs. 36 lakhs. Also see note no. 22.

c. The FCNR term loan carries an interest rate of 4.22% to 9.28% (Previous year 4.20% to 5.27%). This facility is secured by equitable mortgage of factory land and building and hypothecation charge on the entire plant and machinery and other movable and immovable assets and on the inventories and receivables of the Company. The loan is repayable in 78 monthly instalments of Rs. 12.80 lakhs each and last instalment of Rs. 14.40 lakhs, the first instalment payable in September 2019 the last instalment payable in February 2026. Also see note no. 22.

d. Reconciliation of preference shares and amounts outstanding:

Particulars	31-Mar-24		March 31, 2023	
	Number of Shares	Rupees in lakhs	Number of Shares	Rupees in lakhs
At the beginning of the year	8,000,000	800.00	8,000,000	800.00
Add: Issued during the year	-	-	-	-
At the end of the year	8,000,000	800.00	8,000,000	800.00

e. Rights, preferences and restrictions attached to shares:

The Company had issued 8,00,000 1% Cumulative Optionally Convertible Preference Shares of Rs. 100/- each at par for the financial year 2017 - 2018. The terms of contract require contractual payments in cash at the time of redemption at premium and 1% dividend on cumulative basis. The shares are cumulative, non-participating and optionally convertible with the conversion option being triggered if and upon the Company defaulting on redemption of the shares.

f. Details of shareholders holding more than 5% shares

Particulars	31-Mar-24		March 31, 2023	
	Number of Shares	% holding	Number of Shares	% holding
Helios Strategic Systems Limited	8,000,000	100%	8,000,000	100%

g. Unsecured loan have been classified under non current borrowing based on renewal terms entered into with the lenders.



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
20 Non-current lease liabilities		
Lease liabilities (See note no 42)	78.09	96.29
Total	78.09	96.29
21 Non Current provisions		
Provision for employee benefits		
Provision for compensated absences benefits	127.26	112.94
Gratuity	60.93	46.56
Total	188.19	159.49
22 Other non current liabilities		
Deferred government grant	227.24	89.08
Contract liabilities - Advances from customers	937.90	-
Total	1,165.14	89.08
23 Current borrowings		
Loans repayable on demand		
From a bank (Secured)		
Cash credit (See footnote a, b below)	5,829.14	6,562.11
Export packing credit (See footnote c below)	653.34	784.72
Current maturities of long-term debt (refer Note 19)		
Term loans from Bank	863.87	501.55
Term Loans from others (unsecured) (see footnotes e below)	12.64	11.46
Liability Component of Preference Shares (see footnotes d, e, f below)	430.88	-
Term Loans from financial institution (Secured) (Pledge of Shareholding & Personal Guarantee of Mr. Shekhar Sardesai)	-	300.00
Loans and advances from related party (unsecured) From Helios	535.00	500.00
Total	8,324.87	8,659.84

Footnotes:

a. Secured by hypothecation of stocks of Raw Material, Stock in Process, Finished goods, Consumables and book-debts and all other current assets. Secured by mortgage of land and building and movable assets at plot no. 34, 35, 36, 41, 42, 43 and 61A. Extension of charge over remaining fixed assets. Also secured by personal guarantee of Shekhar Sardesai and Ultimate Holding Company, Indo National Limited.

b. The cash credit facility is secured by an exclusive first charge on inventories and receivables of the Company, equitable mortgage of factory land and building and movable assets and hypothecation charge on plant and machinery of the Company.

c. The export packing credit facility is secured by an exclusive first charge on inventories and receivables of the Company, equitable mortgage of factory land and building and movable assets and hypothecation charge on plant and machinery of the Company. The facility carries an interest rate of 3.25% to 6.25% per annum (during the year ended March 31, 2023 3.25% per annum).

24 Lease Liabilities

Lease liabilities (See note no 42)	27.27	12.13
Total	27.27	12.13



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
26 Other financial liabilities		
Interest accrued but not due on borrowings	22.87	124.88
Payables on purchase of fixed assets	5.80	31.93
Total	28.67	156.81
27 Provisions		
Provision for employee benefits Compensated absences (See note no 43)	111.49	95.66
Provision for employee benefits Gratuity (See note no 43)	64.89	35.02
Total	176.38	130.68
28 Current tax liabilities (net)		
Income tax liabilities less payments	6.08	18.92
Total	6.08	18.92
29 Other current liabilities		
Contract liabilities - Advances from customers (Of the opening contract liability an amount of Rs. 137.21 lakhs (March 2023 Rs. 237.91 lakhs) has been recognised as Revenue in the current year)	2,823.51	43.65
Statutory remittances (Contributions to PF, ESIC and LWF, withholding taxes, GST etc.)	175.03	165.18
Deferred government grant	20.33	9.33
Other payables	3.85	3.85
Total	3,022.72	222.01



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
25 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	37.46	8.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,538.32	4,212.46
Total	4,575.77	4,220.52

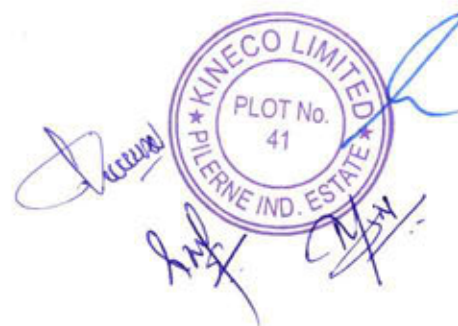
A Trade Payables Ageing

Particulars	As at March 31, 2024					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small	34.81	0.57	0.67	1.41	-	37.46
(ii) Others	3,842.00	685.00	1.76	3.93	5.63	4,538.32

Particulars	As at March 31, 2023					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small	5.10	1.55	1.41	-	-	8.06
(ii) Others	3,155.26	1,048.11	2.92	1.16	5.02	4,212.46

- B** The details relating to Micro and Small Enterprises in terms of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows and have been made on the basis of confirmations received from suppliers regarding their status under the said act:

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupees in lakhs	Rupees in lakhs
Outstanding principal Amount and Interest as on March 31, 2024		
- Principal amount	34.81	6.15
- Interest due thereon	0.00	0.00
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	0.57	0.49
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.65	1.90
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Rupees in lakhs	Rupees in lakhs
30 Revenue from operations		
<u>Sale</u>	17,353.09	16,698.49
<u>Other Operating Income</u>		
Scrap sale	20.67	23.05
Export incentives	78.56	0.69
Total	17,452.32	16,722.23

The Company's current contract with customers for sale of Composite structures can be classified as (i) Manufacture and sale of parts as such and (ii) Manufacture and sale of parts on job work basis (iii) Sales of Services

Manufacture and sale of parts: Each deliverable part is considered as a separate performance obligation in itself and has a clearly identifiable transaction value. In this case, the customer representative normally inspects and approves the part for despatch. This part is a specific part manufactured as per the design provided by the customer, such acceptance is considered to be indicative of the customer having obtained the ability to direct the use of and obtain substantially all of the remaining benefits from the part. The contract with the customers provides the part to be delivered to its specified location and hence the revenue is recognised once the parts are placed with the carrier at the origin destination.

Payments for these parts are received in accordance with the contract with the customer, which includes certain advance amount in some cases and balance payments on delivery of the parts as per the agreed credit terms. As the advance gets adjusted within the normal operating cycle of 12 months, the advance received is not considered to be towards a significant

Manufacture and sale of parts of job work basis: Each deliverable part is considered as a separate performance obligation in itself and has a clearly identifiable transaction value. The tools and the raw materials required for the manufacture of these parts are provided by the customer free of charge. Though the physical control of these tools and raw material is with the Company, the customer directs their use and are returnable on completion of the job work process. Further these tools and raw material are specific to the deliverable part of the customer and cannot be used for any other purpose and hence these are not considered to have any effect on the transaction price from the non cash consideration perspective. The contract with the customers provides the part to be delivered on FOR basis and hence the revenue is recognised once the parts are delivered to the customers premises.

Sale of services: Each installation and commissioning contract is considered as a separate performance obligation in itself and has a clearly identifiable transaction value. The customer representative normally inspects and approves the installed components and provides the installation completion certificate. On approval the revenue is recognised.

Payments for these services are received in accordance with the terms agreed in the contract with the customer.



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Rupees in lakhs	Rupees in lakhs
<u>Sale</u>		
Manufacture and sale of parts as such	15,714.62	15,871.38
Sale of Traded Goods	378.19	-
Manufacture and sale of parts on job work basis	251.39	227.51
Sales of Services	1,008.89	599.60
	17,353.09	16,698.49
<u>Geographical markets</u>		
Export	5,155.76	5,106.90
Domestic market	12,197.35	11,591.59
	17,353.11	16,698.49

31 Other Income**Interest Income**

- on bank deposits	186.74	109.78
- on income tax refund	2.78	3.54
- on Interest others	37.40	
- on Interest on Loan to Related Party	10.61	

Other Non operating income

Sundry balances written back (net)	0.21	11.47
Vivad Se Vishwas Late Delivery Charges	100.58	-
Deferred government grant income	15.78	9.33
Profit on sale of assets	2.12	14.42
Custom incentives	39.06	-
Net gain on foreign currency transactions and translations	109.63	5.29
Rent from sub-lease of plot no 61	62.48	62.48
Miscellaneous Income	-	0.04

Total	567.39	216.34
--------------	---------------	---------------

32 Cost of materials consumed

Stock at Commencement	1,689.16	1,540.16
Add: Purchases ,Stores & Spares	9,243.74	9,447.07
	10,932.90	11,062.83
Less: Stock at close	2,422.76	1,689.16

Total	8,510.14	9,373.68
--------------	-----------------	-----------------



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Rupees in lakhs	Rupees in lakhs

33 Changes in inventories of finished goods work-in-progress and stock-in-trade

Inventories at the end of the year		
Work in Process	1,019.08	536.86
Stock-in-trade	-	-
Finished Goods	16.39	302.77
	<u>1,035.47</u>	<u>839.63</u>
Inventories at the beginning of the year		
Work in Process	536.86	695.56
Stock-in-trade	302.77	-
Finished Goods	-	-
	<u>839.63</u>	<u>695.56</u>
Net (increase)/ decrease	<u>(195.84)</u>	<u>(144.07)</u>

34 Employee benefits expenses

Salaries and wages	2,474.77	2,357.41
Staff welfare expenses	92.62	108.13
Contribution to PF, ESIC, & Other Funds	131.59	130.37
Gratuity (See note no 43)	43.41	39.17
Remuneration to Directors	175.39	178.84
Total	<u>2,917.78</u>	<u>2,813.92</u>

35 Finance costs

Interest on borrowings from banks	811.78	715.63
Interest on borrowings from holding company (including preference shares)	187.14	218.04
Interest on others	131.34	90.34
Others borrowing costs	57.51	60.67
Interest on Lease Liability	1.87	1.51
Net loss on foreign currency transactions and translations (considered as finance costs)	11.10	19.74
Total	<u>1,200.73</u>	<u>1,105.92</u>



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

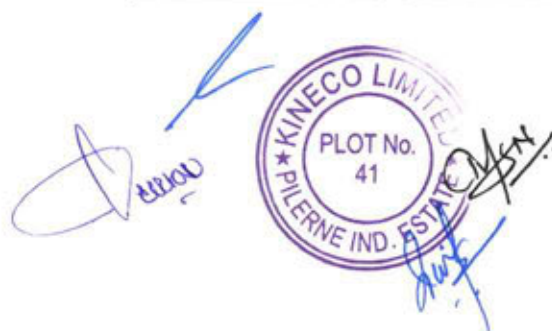
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Rupees in lakhs	Rupees in lakhs
36 Other expenses		
Outsourced Services	705.13	712.43
Packing Material consumed	31.30	76.81
Consumption of stores and spare parts	324.84	300.58
Labour expenses	62.02	34.52
Power & Fuel	199.10	248.88
Security Expenses	99.80	85.39
Design and Engg. Expenses	1.59	1.64
Repair & Maintenance:		
- Plant & Machinery	90.91	89.00
- Building	34.62	28.51
- Others	69.44	89.31
Rates & Taxes	19.03	40.46
Printing and stationery	17.19	20.19
Travelling & Conveyance	162.20	144.63
Communication Charges	41.46	40.77
Insurance Charges	92.26	84.56
Rent	19.84	12.80
Professional Fees	446.31	294.68
Auditor's Remuneration:		
- For Audit Matters	14.05	13.90
- For Taxation Matters	2.40	2.40
Internal Audit & Other Matters	13.06	10.88
Amortisation of right of use of leased assets (Refer Note 42)	11.38	11.43
Sundry Debit Balances written off	0.02	0.62
Late Delivery Claims	167.69	467.97
Miscellaneous Expenses	46.61	92.10
Donation	4.95	1.20
Scrap Disposal	11.77	17.02
Inspection & Testing Charges	38.87	23.27
Sales & Agents Commission	152.07	100.27
Recruitment expenses	-	0.36
Assets written off	-	0.59
Royalty	7.69	10.30
Establishment expenses	27.64	22.73
Corporate social responsibility expenses (Refer note 48)	20.00	24.31
Provision for doubtful debts	22.17	11.10
Advertisement and business promotion Expenses	214.24	224.17
Freight Charges Outward	432.46	620.60
Net loss on foreign currency transactions and translations	8.14	11.38
Total	3,612.22	3,971.73



Kineco Limited

Notes forming part of the financial statements as at and for the period ended March 31, 2024

Particulars	Year ended March 31, 2024 Rupees in lakhs	Year ended March 31, 2023 Rupees in lakhs
37 Tax expense		
a Income tax recognised in Statement of Profit and Loss		
Current tax in respect of current year	133.62	219.81
Tax of prior years	(6.58)	2.96
Deferred tax	216.97	(274.62)
Total	344.01	(51.85)
b The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:		
Profit before tax	1,110.90	(867.80)
Indian statutory income tax rate (Average of rates adopted by holding and subsidiary company)	25.17%	25.17%
Income tax expense	279.59	(218.41)
Effect of expenses that are not deductible in determining taxable profit	113.52	96.17
Effect of expenses that were disallowed in the previous years, deductible in determining taxable profit	(152.90)	(13.55)
Effect of set off of brought forward losses against taxable profit and temporary difference relating to depreciation allowance including the sale of plant and machinery for which deferred tax liabilities have been recognised	75.07	54.23
Effect of temporary difference relating to depreciation allowance and provisions for which deferred tax liabilities have been recognised	27.68	20.09
Permanent difference on expenses disallowed	7.62	6.66
Taxes of prior years	(6.58)	2.96
Change in Tax rates	-	-
Income tax expense recognised in Statement of Profit and Loss	344.01	(51.85)
c Income tax recognised in Other Comprehensive Income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined obligations and equity instruments	4.94	(1.09)
Impact of Set-off of brought forward losses	-	-
Total income tax recognised in other comprehensive income	4.94	(1.09)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	4.94	(1.09)
Total	4.94	(1.09)



Kineco Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

38 Financial instruments**i. Financial risk management objective and policies**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2(f).

ii. Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts and fair values, are set out below

Rupees in lakhs				
Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
As at 31st March 2023				
Non-Current Investments*	-	0.84	-	0.84
Trade receivables	-	-	9,131.68	9,131.68
Cash and cash equivalents	-	-	1,313.41	1,313.41
Other bank balances	-	-	852.02	852.02
Other current financial assets	-	-	341.21	341.21
Other Non current financial assets	-	-	16.40	16.40
Total	-	0.84	11,654.72	11,655.57
As at 31st March 2024				
Non-Current Investments*	-	1.32	-	1.32
Trade receivables	-	-	8,897.43	8,897.43
Cash and cash equivalents	-	-	1,162.48	1,162.48
Other bank balances	-	-	1,913.82	1,913.82
Other current financial assets	-	-	283.78	283.78
Other Non current financial assets	-	-	1,139.96	1,139.96
Total	-	1.32	13,397.46	13,398.78

* other than equity instruments of subsidiaries which are measured at cost

Financial Liabilities	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
As at 31st March 2023				
Non-current borrowings	-	-	4,960.57	4,960.57
Current borrowings	-	-	8,659.84	8,659.84
Non Current Lease Liabilities	-	-	96.29	96.29
Trade payables	-	-	4,220.52	4,220.52
Lease Liabilities	-	-	12.13	12.13
Other current financial liabilities	-	-	156.81	156.81
Total	-	-	18,106.14	18,106.14
As at 31st March 2024				
Non-current borrowings	-	-	3,703.44	3,703.44
Current borrowings	-	-	8,324.87	8,324.87
Non Current Lease Liabilities	-	-	78.09	78.09
Trade payables	-	-	4,575.77	4,575.77
Lease Liabilities	-	-	27.27	27.27
Other current financial liabilities	-	-	28.67	28.67
Total	-	-	16,738.11	16,738.11

iii. Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Rupees in lakhs		
	As at March 31, 2024	As at March 31, 2023
Financial assets - at fair value through other comprehensive income:		
Non-Current Investments (other than equity instruments of subsidiaries)	1.32	0.84
Total	1.32	0.84



Kinenco Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

iv Risk management framework

a) Risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risks include market risk, credit risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. The risk management process is regularly reviewed by the Company's board of directors.

b) Treasury management

The Company's treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Company through internal reports which analyses exposures by degree and magnitude of risks. These risks include market risk (currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

c) Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rate and interest rates.

d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Company's customers include government bodies/ public sector undertakings as well as private companies. The credit worthiness of the customers is evaluated based on publicly available information and the Company's historical experiences.

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue trade receivables. Exposures to customers outstanding at the end of each reporting period are reviewed to determine incurred and expected credit losses and the Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables.

e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring of forecasts and actual cash flows and by matching the maturity timelines of the financial assets and liabilities and utilising the its borrowing facilities appropriately to meet its financial obligations.

The following table provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	Amounts in lakhs		
	Less than 1 year	1 to 5 years	Total
As at March 31, 2024			
Interest bearing liabilities	1,529.85	9,519.94	11,049.79
Trade payables	4,574.03	-	4,574.03
Other financial liabilities	32.40	78.09	110.49
As at March 31, 2023			
Interest bearing liabilities	1,297.73	11,511.22	12,808.95
Trade payables	4,237.10	-	4,237.10
Other financial liabilities	172.23	96.29	268.52

v Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The Company aims to maintain an optimal capital structure through combination of debt and equity in a manner so as to minimise the cost of capital.

The Company monitors its capital using Gearing Ratio. Net Debt (Short Term and Long Term Borrowings including Current maturities) divided by Total Equity (Capital plus net debt).

	Amounts in lakhs	
	As at March 31, 2024	As at March 31, 2023
Long term borrowings (Refer note 19)	3,703.44	4,960.57
Short term borrowings (Refer note 23)	6,482.48	7,346.83
Current maturities of long term debt (Refer note 23)	863.87	501.55
Net debt	11,049.79	12,808.95
Total equity	5,189.18	4,454.04
Total capital	16,238.97	17,262.98
Gearing ratio	68%	74%



39. Contingent liabilities

(i) Bank Guarantees issued by the bank on behalf of the Company Rs 810.89 lakhs (Previous year: Rs. 1,335.68 lakhs)

(ii) Letter of Credit issued by the bank on behalf of the Company: Rs 73.85 lakhs (Previous year: Rs 179.97 lakhs)

(iii) Claims against the Company for pending cases Rs 817.98 lakhs (Previous year Rs. 817.98 lakhs)

Kineco was awarded a Contract to supply 191 coaches by Modern Coach Factory, Raebareilly (MCF). However, during the course of execution of the Contract, due to various reasons including delays in receiving various approvals from MCF, the said Contract could not be completed within the delivery period.

MCF vide the impugned order dated 28.10.2022, cancelled the Contract and passed an order for recovery of amount i.e. Rs. 8,17,97,681.70 (Rupees Eight Crore Seventeen Lakhs Ninety Seven Thousand Six Hundred and Eighty One Seventy Paise Only) from Kineco. Kineco challenged the impugned order and invoked Arbitration. Upon appointment of the Arbitral Tribunal, Kineco filed an Application under Section 17 of Arbitration Act 1996, seeking Interim relief until the final disposal of the arbitral proceedings.

The Hon' Arbitral Tribunal, after hearing both sides awarded Rs. 2,44,57,726/- (Rupees Two Crores Fourty Four Lakhs Fifty Seven Thousand Seven Hundred and Twenty Six only) to the Company on 19.06.2023. In addition, an interest of 9.5% p.a shall be paid by MCF from 48th day from the date of publication in case MCF fails to make the payment within 45 days from the date of publication of the award.

Challenging the order of the Hon' Arbitration Tribunal, Modern Coach Factory have filed an appeal in the Hon' Commercial Court at Lucknow on 19.09.2023.

(iv) Corporate Guarantee on behalf of Joint venture Rs. 500.00 lakhs (Previous year Rs. 500.00 lakhs)

(v) The Company has imported capital goods/ raw materials under the Export Promotion Capital Goods Scheme ("EPCG Scheme") / Advance licence ("Advance Licence scheme") and executed bonds aggregating Rs. 1,300.00 lakhs (March 31, 2023 Rs 790.00 lakhs) in favour of Customs authorities. The Company is liable to pay the whole of the customs duty saved on such imported goods, along with interest at 15% per annum from the date of clearance of goods till the date of payment of duty, if it fails to discharge its export obligations as prescribed under the Schemes. Under the Schemes, the Company has to earn foreign currency worth Rs. 2,885.40 lakhs (March 31, 2023 Rs 2,879.74 lakhs) in aggregate. The obligations are to be fulfilled within a period of 1.5-6 years from the date of issue of import licences. Import licenses have been issued at various points in time and the time limit of 1.5-6 years for licenses for which such obligation is pending to be fulfilled ends on May 31, 2029. As, at the year end, the balance export obligation is Rs. 1,033.84 lakhs (March 31, 2023 Rs. 40.00 lakhs) which is to be fulfilled by earning foreign exchange from Company's operations.

Based on its business plans the Company does not expect any additional liability to devolve in respect of the above and therefore no provision has been held in the accounts.

40. Commitments:

Estimated amount of contracts remaining to be executed on capital account: Rs 52.73 lakhs (Previous year: Rs. 1,136.03 lakhs)

41 Trade receivable, loans and advances and trade payable balances are subject to confirmation, reconciliation and consequent adjustments, if any.

42. Leases

The Company has entered into long term lease agreements with Goa Industrial Development Corporation for use of Industrial Land. This use of land as per the agreements has been identified as the right of use assets.

I. Right-of-use assets - Land

Particulars	Amount in lakhs
Right-of-use assets as of April 1, 2022 (date of transition) - Land	215.28
Add: Addition during the year	-
Less: amortised during the year	11.43
Right-of-use assets as of April 1, 2023 - Land	203.85
Add: Addition during the year	-
Less: amortised during the year	11.38
Balance as at March 31, 2024	192.47

ii. Lease liabilities

Particulars	Amount in lakhs
Lease liabilities as of April 1, 2022 (date of transition)	109.32
Add: Interest on Lease liabilities	1.50
Less: Payment during the year	2.40
Lease liabilities as of April 1, 2023	108.42
Add: Interest on Lease liabilities	1.86
Less: Payment during the year	4.92
Balance as at March 31, 2024	105.36

iii. Maturity analysis of lease liabilities

Particulars	Amount in lakhs Cash outflow undiscounted	
	March 31, 2024	March 31, 2023
a. Not later than one year	27.27	13.11
b. Later than one year and not later than five years	50.73	60.06
c. Later than five years	1,170.03	1,180.58
	1,248.03	1,253.75

1. The lease term is for a definite period with no unconditional right with the Company to extend the lease period.

2. The lease agreements provide for a 10% increase in lease rent every 3 years.

3. The agreements provide for a subleasing of the leased land with prior approval of the lessor.

4. The agreements provide for renewal option of the lease period. The option to be exercised within the time limit stipulated in the lease agreements. However, the renewal is at the discretion and subject to the approval of GIDC and hence to that extent conditional.

5. The expenses relating to short term leases pertaining to leasing of equipments aggregated to Rs. 2.29 lakhs (Previous year Rs. 0.85 lakhs).

43. Employee benefits obligations:**Defined contribution plans:**

Contribution to Defined Contribution Plan, recognised as an expense and included under "Employee Benefits Expenses" - Note 34 to the Statement of Profit and Loss are as under:

A sum of Rs 117.78 lakhs (Previous year Rs 113.81 lakhs) has been charged to the Statement of Profit and Loss towards contributions to provident and family pension fund.



Defined benefit plans:

The Company offers benefits under a defined-benefit plan in the form of a gratuity scheme to its eligible employees. The gratuity scheme covers substantially all regular employees. The plan provides for a lumpsum payment to its vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days/ one month salary drawn at the time of the incident occasioning such payment, as applicable, payable for each completed year of service or part thereof in excess of six months. Vesting occurs up on completion of five years of service calculated as per the Payment of Gratuity Act, 1972.

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India (LIC). The Company makes annual contributions to the plan. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method.

Details of defined benefit plan - As per Actuarial valuation are as follows:

Particulars	Rupees in lakhs	
	March 31, 2024	March 31, 2023
I Components of defined benefit cost		
i Current service cost	38.50	35.89
ii Past service cost	-	-
iii Mortality charges and taxes	-	-
iv Interest cost on benefit obligation (net)	4.90	3.28
Total expense included in Statement of Profit and Loss (P&L)	43.41	39.17
v Actuarial loss/ (gain) arising from financial assumptions	7.95	0.23
vi Actuarial loss/ (gain) arising from experience adjustments	19.33	11.44
Total expense recognised in Other Comprehensive Income (OCI)	27.28	11.67
Total defined benefit cost recognised in P&L and OCI	70.69	50.84
II Actual contribution and benefits payments for the year		
i Actual contributions	19.61	16.78
ii Actual benefits payments	(4.36)	8.87
III Changes in present value of obligation during the year		
i Present value of defined benefit obligation as at the beginning of the year	326.48	295.13
ii Current service cost	38.50	35.89
iii Past service cost	-	-
iv Interest cost	22.74	19.82
v Benefits paid	(19.27)	(32.33)
vi Actuarial loss/ (gain) arising from financial assumptions	24.24	(5.70)
vii Actuarial loss/ (gain) arising from experience adjustments	1.61	13.68
Present value of defined benefit obligation as at the end of the year	394.30	326.48
IV Changes in fair value of plan of assets during the year		
i Fair value of plan of assets as at the beginning of the year	244.91	232.42
ii Interest income	17.83	16.54
iii Actual company contribution	26.45	16.55
iv Mortality charges and taxes	-	-
v Benefits paid	(19.27)	(16.91)
vi Return on plan of assets (excluding interest income)	(1.45)	(3.69)
Fair value of plan of assets as at the end of the year	268.47	244.91
V Net asset/ (liability) recognised in the Balance Sheet		
i Present value of defined benefit obligation	(394.30)	(326.48)
ii Fair value of plan of assets	268.47	244.91
Net asset/ (liability) recognised in the Balance Sheet	(125.82)	(81.58)
VI Actuarial assumptions		
i Discount rate	6.98%	7.16%
ii Expected return on plan of assets	7.16%	7.23%
iii Salary escalation rate	8.00%	8.00%
iv Mortality table used	Indian Assured Lives Mortality 2012-14 Ultimate table	Indian Assured Lives Mortality 2012-14 Ultimate table
v Withdrawal rates	10.00%	10.00%

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VII Maturity profile of defined benefit obligation (rounded off to the nearest thousand)

i Year 1	48.74	33.45
ii Year 2	39.27	24.39
iii Year 3	34.87	35.13
iv Year 4	21.98	29.41
v Year 5	56.91	17.82
vi Subsequent 5 years	120.39	132.33



Notes forming part of the financial statements as at and for the year ended March 31, 2024

The defined benefit plan is exposed to various actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

i. Investment risk - All plan assets are maintained in a trust fund managed by a public sector insurer viz: LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

ii. Discount rate risk - The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Decrease in the bond rate will increase the plan liability, this will partially be offset by the increase in the interest on plan assets.

iii. Longevity risk - The present value of the defined benefit obligation calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plans liability.

iv. Salary risk - The present value of the defined benefit obligation calculated by reference to the future salaries of the plan participants. An increase in the salary of the plan participants will increase the plan liability.

V. Quantitative sensitivity analysis for significant assumptions is as below:


1% increase in discount rate	364.29	301.28
1% decrease in discount rate	429.19	355.69
1% increase in salary increment rate	424.88	351.50
1% decrease in salary increment rate	366.77	304.01

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company operates a leave encashment scheme, which is a unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Details of defined benefit plan - As per Actuarial valuation are as follows:

Particulars	Rupees in lakhs	
	March 31, 2024	March 31, 2023
I. Components of defined benefit cost		
i. Current service cost	41.21	37.23
ii. Past service cost	(5.04)	(1.94)
iii. Mortality charges and taxes	-	-
iv. Interest cost on benefit obligation (net)	8.16	7.22
Total expense included in Statement of Profit and Loss (P&L)	44.34	42.52
v. Actuarial loss/ (gain) arising from financial assumptions	-	-
vi. Actuarial loss/ (gain) arising from experience adjustments	-	-
Total expense recognised in Other Comprehensive Income (OCI)	-	-
Total defined benefit cost recognised in P&L and OCI	44.34	42.52
II. Actual contribution and benefits payments for the year:		
i. Actual contributions	-	-
ii. Actual benefits payments	26.00	31.62
III. Changes in present value of obligation during the year		
i. Present value of defined benefit obligation as at the beginning of the year	126.63	115.73
ii. Current service cost	41.21	37.23
iii. Past service cost	(5.04)	(1.94)
iv. Interest cost	8.16	7.22
v. Benefits paid	-	-
vi. Actuarial loss/ (gain) arising from financial assumptions	-	-
vii. Actuarial loss/ (gain) arising from experience adjustments	(26.00)	(31.62)
Present value of defined benefit obligation as at the end of the year	144.96	126.63
IV. Changes in fair value of plan of assets during the year		
i. Fair value of plan of assets as at the beginning of the year	-	-
ii. Interest income	-	-
iii. Actual company contribution	-	-
iv. Mortality charges and taxes	-	-
v. Benefits paid	-	-
vi. Return on plan of assets (excluding interest income)	-	-
Fair value of plan of assets as at the end of the year	-	-
V. Net asset/ (liability) recognised in the Balance Sheet		
i. Present value of defined benefit obligation	(144.96)	(126.63)
ii. Fair value of plan of assets	-	-
Net asset/ (liability) recognised in the Balance Sheet	(144.96)	(126.63)



Kineco Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2024

VI	Actuarial assumptions		
i	Discount rate	6.97%	7.19%
ii	Expected return on plan of assets	NA	NA
iii	Salary escalation rate	8.50%	8.50%
iv	Mortality table used	Indian Assured Lives Mortality 2012-14 Ultimate table	Indian Assured Lives Mortality 2012-14 Ultimate table
v	Withdrawal rates	1% - 7.5%	1% - 7.5%
VII	Maturity profile of defined benefit obligation (rounded off to the nearest thousand)		
i	Year 1	17.71	13.69
ii	Year 2	12.43	11.37
iii	Year 3	18.22	10.63
iv	Year 4	11.67	15.60
v	Year 5	26.49	10.45
vi	Subsequent 5 years	50.20	56.98

The defined benefit plan is exposed to various actuarial risks such as interest rate risk and salary risk.

- i) Discount rate risk - The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Decrease in the bond rate will increase the plan liability, this will partially be offset by the increase in the interest on plan assets.
- ii) Salary risk - The present value of the defined benefit obligation calculated by reference to the future salaries of the plan participants. An increase in the salary of the plan participants will increase the plan liability.
- iii) Quantitative sensitivity analysis for significant assumptions is as below:
- | | | |
|--------------------------------------|--------|--------|
| 1% increase in discount rate | 135.35 | 126.63 |
| 1% decrease in discount rate | 156.00 | 118.11 |
| 1% increase in salary increment rate | 155.73 | 136.34 |
| 1% decrease in salary increment rate | 135.39 | 118.13 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

44 Related party information:

Related party information as required by Ind AS 24 is given below:

A. Names of the related parties and their relationships:

- i) Ultimate Holding Company
Indo National Limited
- ii) Holding Company
Helios Strategic Systems Limited
- iii) Joint Venture with 49% ownership
Kaman Aerospace Group Inc.
- iv) Associates (with whom transactions have taken place during the year)
Kaman Aerosystems - Kaman Composites CT
Kaman Composites - UK Limited
- v) Group Company of Joint Venture Company
Exel Composites (Nanjing) Co. Ltd.
Exel Composites UK
Exel Composites NV
Nanjing Jingheng Composite Material Co., Ltd.
Exel Composites Oyj
Diversified Structural Composites Inc.
- vi) Key Management Personnel
Mr. Shekhar Sardesai - Executive Vice Chairman and Managing Director
Mr. Vinay Jagtap - Executive Director
Mr. Prashant Naik - Director
Mr. Aravindkumar S R - Chief Financial Officer (upto 23rd September 2023)
Mr. Vivekanand Pauskar - Chief Financial Officer (from 15th December 2023)
Mrs. Manisha Naik Shirgaonkar - Company Secretary



B Transactions with related parties:

i) Details relating to parties referred to in items A (i), (ii), (iii), (iv) and (v) above:

		Rupees in lakhs	
Particulars	Name of the Related Party	March 31, 2024	March 31, 2023
1) Revenue			
Sale of goods	Exel Composites NV	114.35	53.76
	Kaman Composites - Vermont, Inc.	16.81	-
Sale of Service	Kaman Composites - Vermont, Inc.	27.10	-
2) Expenses			
Purchase of raw material	Kaman Composites - Vermont, Inc.	16.63	26.33
	Diversified Structural Composites Inc.	2.29	-
Finance Cost	Shekhar Sardesai	4.46	9.75
	Helios Strategic systems Limited - Loan	103.07	112.29
	Helios Strategic systems Limited - Preference shares	96.00	96.00
Expenses reimbursed	Exel Composites Oyj	2.79	-
	AV & MRO Operations	-	0.63
Recovery of expenses	Exel Composites Oyj	13.69	5.39
Interim dividend payout	Kaman Corporation Inc.	-	245.00
3) Purchase of Fixed Assets			
	Exel Composites UK	1.29	-
	Diversified Structural Composites Inc.	236.33	-
	Nanjing Jingheng Composite Material Co., Ltd.	44.37	-
4) Loan Received	Helios Strategic systems Limited	-	500.00
5) Loan Repaid	Helios Strategic systems Limited	500.00	-

		Rupees in lakhs	
Particulars	Name of the Related Party	March 31, 2024	March 31, 2023
6) Outstanding receivable / (payable) as at the end of the period			
	Kaman Composites - Vermont, Inc.		
	- Trade payables	(2.52)	(3.18)
	- Trade receivable	21.03	-
	Helios Strategic systems Limited		
	- Trade payables	(540.32)	(1,247.27)
	Diversified Structural Composites		
	- Trade Payable	(213.96)	-
	Exel Composites Oyj		
	- Trade Payable	(12.44)	-
	Nanjing Jingheng Composite Material Co., Ltd.		
	- Trade Payable	(40.43)	-
7) Corporate guarantee from	Indo National Limited	2,782.00	2,782.00

ii) Details relating to persons referred to in item A (vi) above:

		Rupees in lakhs	
Remuneration to Key Management Personnel		March 31, 2024	March 31, 2023
Managerial remuneration paid to Shekhar Sardesai (Executive Vice Chairman & Managing Director)		175.16	178.91
Salaries and other employee benefits to whole-time directors and executive officers		146.65	132.81
		321.81	311.72
Outstanding receivable / (payable)			
Shekhar Sardesai (Executive Vice Chairman & Managing Director)		(3.18)	(79.44)
		(3.18)	(79.44)

Personal Guarantee by pledge on shares owned by Mr. Shekhar Sardesai for NIL (previous year Rs 300 lakhs)



Notes forming part of the financial statements as at and for the year ended March 31, 2024

45. Moulds, Dies & Tools developed in house for specific customer application are classified as "Composite Tooling" based on technical consideration. (Refer note 4). These are reflected in the Balance Sheet based upon technical and economic evaluation (including wear and tear) carried out by independent valuers but not exceeding the cost thereof. Further in case of economic factors underlying the valuation undergoing material or adverse changes, appropriate impairment adjustment will be carried out in the year of such adverse change. Based on such policy the company has decided to write off an amount of Rs. 335.43 lakhs (previous year Rs 208.02 lakhs)

46. Earnings per share:

Particulars	March 31, 2024	March 31, 2023
Profit for the year (Rupees in lakhs)	735.14	(853.04)
Weighted average number of equity shares	6,254.183	6,254.183
Nominal value of each equity shares	10.00	10.00
Basic and diluted earnings per share (in Rupees)	11.74	(13.62)

47. Foreign Currency Exposures:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

- i. Amount receivable in foreign currency on account of the following:-

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rupees in lakhs	Foreign currency in lakhs	Rupees in lakhs	Foreign currency in lakhs
Trade receivables and advances to suppliers				
- USD	1,183.74	14.22	726.24	8.86
- Euro	0.06	0.00	264.64	3.13
- GBP	1.21	0.01	12.82	0.13
Cash and Bank balances				
- USD	589.20	7.07	31.79	0.39
- Euro	0.13	0.00	-	-
- GBP	0.07	0.00	0.15	0.00

- ii. Amount payable in foreign currency on account of the following:-

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rupees in lakhs	Foreign currency in lakhs	Rupees in lakhs	Foreign currency in lakhs
Trade payables and other current liabilities				
- EUR	13.04	0.14	37.53	0.61
- USD	159.14	1.91	145.41	1.79
- GBP	4.94	0.05	107.01	1.11
Foreign currency loans including interest there on				
- USD	1,166.60	14.00	584.08	7.11

48. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.

Financial Year	Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR activities
Year ended March 31, 2024	19.86	20.00	-	-	Not Applicable	Donation for promoting education
Year ended March 31, 2023	24.23	24.33	-	-	Not Applicable	Donation for promoting education and health care

49. Details of Statements of current assets filed by the Company with banks which have been given as security against the borrowings from banks.

The monthly/quarterly returns filed with the bank are in agreement with the books of accounts.

50. Other disclosures

- A. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- B. The Group has not advanced any loans or advances in the nature of loans to specified persons viz: promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- C. The Group has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
- D. The Group has not been declared as a wilful defaulter by any lender who has powers to declare a Group as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- E. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- F. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Kineco Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

- G. The Group does not have any transactions with struck-off companies.
- H. The Group does not have any transaction which is not recorded in the books of accounts but 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).
- I. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- J. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- K. The Group does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period except Rs 7 crores satisfaction pending in case of HDFC Bank.
- L. The Group does not have any immovable Property whose title deeds are not held in the name of the Group.
- 51 **Development of Composite Technology, Products and Process Know-How:**
(i) Development of Composite Filament Winding Technology, products and process know-how
 The Holding company has completed and commercialized a project for Research and Development in the field of filament Winding using advanced technology at an aggregate cost of Rs.227.18 lacs. In association with Indian Institute of Technology, Mumbai and Technology Information Forecasting Assessment Council, a body constituted by Govt. of India under Ministry of Science and Technology. Research and product development under this has been funded by TIFAC for Rs.99.50 Lakhs. Out of Rs. 227.18 lac, Rs. 33.31 lacs was expended on Building and Rs.134.71 lacs represent capital expenditure on Research, which is capitalized under appropriate assets heads. Balance Rs. 59.10 lacs represent expenditure on personnel, consultancy fees to IIT Mumbai and other consultant, premium payable to bridge TIFAC as per agreement, travelling, depreciation, interest on finance etc. These being incurred for "Development of Composite development process, are classified as Intangible Asset under Technology, Products and process Know-How".
- (ii) Development of Composite Sky bus Coaches Technology, products and process know-how**
 The Holding company has completed R&D project for Development of composite sky bus coaches for Konkarn Railway Corporation at an aggregate cost Rs. 186.47 lacs, in association with Indian Institute of Technology, Mumbai and TIFAC. TIFAC has committed financial assistance of Rs. 99.50 lacs of which Rs. 79.60 lacs has been disbursed till 31st March 2006. The Commercialisation of the sky bus Coaches Project for Konkarn Railway Corporation is getting delayed due to decision of Konkarn Railway to invite expression of interest from Private Enterprises for private participation in the project. However, during the year the Group has successfully leveraged this intangible asset in the form of Composite Technology, Products and Process Know-How Sky Bus Project. Using the technology developed under this project, the Group has manufactured and supplied substantial volume orders for seats, front end cab and interior train panelling for Indian Railways over the past 6 years.
- (iii) The Development of Composite Technology, Products and Process Know-How for armature cores (for power plants), carbon fiber cycle frame and forks, Canisters for projectile launchers and Optical telescopic structures.**
 The Holding company has incurred capital expenditure for Research and Development of armature cores (for power plants), carbon fibre cycle frame and forks, Canisters for projectile launchers and Optical telescopic structures at an aggregate cost of Rs. 288.67 lacs. The Group has received initial commercial order from customers for products developed from this research and development efforts and expects revenues over years arising out of the same.
- (iv) The Development of Composite Technology, Products and Process Know-How for Sonar Dome**
 The Holding company has incurred capital expenditure for Research and development of composites Sonar Dome for ships through R&DE(BEL) at an aggregate cost of Rs.99.46 lacs. The company has received commercial order from R&DE(BEL). BEL orders for manufacture and supply of sonar domes from these domes from these research and development efforts and expects revenues over years arising out of the same.
- (v) The Development of Composite Technology for fabrication of Composites Sonar Dome for P15A Class Ships**
 Kineco in coordination with R&DEE, Pune, DRDO, Ministry of Defense, Govt. of India developed a unique technology for fabrication of Composites Sonar Dome for P15A Class Ships by vacuum assisted resin transfer moulding technical know-how process and testing method for quality assurance. With this know how process Kineco have successfully manufactured SONAR DOME to DRDO. The Sonar Dome is a protective cover to sonar equipment of surface war ships. This technology will be utilised to manufacture sonar domes to MDU/INDIAN ARMED FORCES/BEL, in consultation with DRDO. As per the TOT the license to utilise the technology for manufacture in India and supply for 10 years.
- (vi) The Development of Single and Double Leaf Door for Railway segment**
 The Company has successfully completed R&D for Modular Straight Door System for railway segment at an aggregate cost Rs.121.26 lakhs. This system has surpassed IIRDSO endurance requirements. The door control system is especially designed for remote controlled door operation through train line by train personnel using guard panel. This system will be utilised for Tain18, Tejas, Metro Rail and Private Train Builders.
- 52 **Kineco Limited has the following investments in subsidiaries / associates**
 1 Kineco Aite Train Technologies Pvt Ltd wherein the company holds 16,21,787 (as at March 31, 2023 16,21,787)
 fully paid up Equity shares of Rs. 10/- each
 2 Kineco Kaman Composites India Pvt. Ltd wherein company holds 58,73,350 (as at March 31, 2023 58,73,350)
 fully paid up Equity shares of Rs. 10/- each
 3 Kineco Exel Composites India Pvt. Ltd wherein company holds 82,880 (as at March 31, 2023 82,880)
 fully paid up Equity shares of Rs. 100/- each
 Note :-
 In respect of Kineco Exel Composites Pvt. Ltd., the share of losses has exceeded investment in the Associate company. In compliance with Ind AS-28 Investments in Associates and joint ventures, the group has discontinued recognition of its share of further losses. The value of such share of losses not recognised as at March 31, 2024 Rs. is Rs. 282.38 lakhs (as at March 31, 2023 Rs. 107.82 Lakhs)
- 53 With regard to the Supreme Court ruling on the applicability of provident fund on all fixed allowances payable to employees, the subsidiary Kineco Kaman Composites India Pvt. Ltd., has complied with the said ruling prospectively from the previous financial year. The subsidiary company has also assessed the shortfall in the employer contribution and employee deductions respectively for period prior to the ruling. However pending clarity on the matter with regard to the manner in which the shortfall is to be fulfilled, no provision is made in the books. Necessary provision will be made once the circular is issued / communication is received by the subsidiary Company from the Provident Fund Authorities.
- 54 With regard to the Supreme Court ruling on the applicability of provident fund on all fixed allowances payable to employees, the Holding Company has provided for the difference from the previous financial year. The Holding Company is in the process of assessing the shortfall in the employer contribution and employee deductions respectively for period prior to the ruling. However pending clarity on the matter with regard to the manner in which the shortfall is to be fulfilled, no provision is made in the books. Necessary provision will be made once the circular is issued / communication is received by the Holding Company from the Provident Fund Authorities.
- 55 The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the dates on which the Codes will come into effect has not been notified. The Company will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.
- 56 Previous year figures have been regrouped and/or rearranged, wherever considered necessary to make their classification comparable with that of the current



Kineco Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

57 Details of Ratios are as under:

Ratios	2023-24	2022-23	% Variance	Reason for variance
i) Current Ratio	1.11	1.21	-9%	
ii) Debt Service Coverage ratio	1.33	0.72	83%	Significant improvement in cash profit in FY 2023-24 compared to FY 2022-23
iii) Inventory Turnover Ratio	2.48	3.51	-29%	Increase in inventory level in FY 2023-24 compared to 2022-23 while material consumption is reduced.
iv) Trade Payable Turnover Ratio	2.10	2.56	-18%	Increase in trade payables in 2023-24 compared to 2022-23 due to better payment terms with suppliers
v) Net Profit Ratio	0.04	(0.05)	-188%	Company achieved positive net profit in 2023-24 due to higher gross margin and overall financial performance
vi) Return on Investment	0.03	(0.04)	-175%	Company achieved positive net profit in 2023-24 due to higher gross margin and overall financial performance
vii) Debt-Equity Ratio	2.32	3.06	-24%	Debt is reduced using cash generated from business and at the same time equity is improved due to positive financial result
viii) Trade Receivables Turnover Ratio	1.93	2.18	-12%	
ix) Net Capital Turnover Ratio	9.77	5.81	68%	Reduction in net working capital is achieved while turnover is improved
x) Return on Capital Employed	0.15	(0.19)	-178%	Due to overall improvement in financial performance of the company there is significant improvement in RoCE

Note

	2023-24	2022-23
i Current Assets (A)	17,939.99	16,296.68
Current Liabilities (B)	16,161.77	13,420.91
Current Ratio (A/B)	1.11	1.21
ii Earnings before Interest, Depreciation, and Tax (C)	3,285.05	901.80
Interest Expense (D)	1,200.73	1,105.92
Principal Repayments made during the period for long term loans and lease payments (E)	1,275.33	140.69
Debt Service Coverage ratio (C/(D+E))	1.33	0.72
iii Cost of Goods Sold (Cost of materials consumed + Changes in inventories of finished goods and work in progress) (F)	8,314.29	9,229.60
Average Inventories (G)	3,356.54	2,628.21
Inventory Turnover Ratio (F/G)	2.48	3.51
iv Purchases of Stock-in-Trade + Other Expenses (H)	9,243.74	9,447.07
Average Trade Payables (I)	4,398.14	3,695.72
Trade Payable Turnover Ratio (H/I)	2.10	2.56
v Profit After Tax (J)	766.89	(842.75)
Revenue from Operations (K)	17,373.76	16,721.54
Net Profit Ratio (J/K)	0.04	(0.05)
vi Net profit	735.14	(853.04)
Total Assets	26,565.75	23,180.37
Return on Investment (L/M)	0.03	(0.04)



Kineco Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

vii	Total Debt (N)	12,028.30	13,620.41
	Total Equity (O)	5,189.18	4,454.04
	Debt-Equity Ratio (N/O)	2.32	3.06
viii	Revenue from Operations (P)	17,373.76	16,721.54
	Average Trade Receivables (Q)	9,014.55	7,675.36
	Trade Receivables Turnover Ratio (P/Q)	1.93	2.18
ix	Revenue from Operations (R)	17,373.76	16,721.54
	Average Working Capital (S)	1,778.22	2,875.77
	Net Capital Turnover Ratio (R/S)	9.77	5.81
x	Net Loss After Tax + Deferred Tax + Finance Cost (-)	766.89	(842.75)
	Other Income (T)		
	Average capital employed (U)	5,189.18	4,454.04
	Return on Capital Employed (T/U)	0.15	(0.19)

Formulae for computation of ratios are as under :

Sr. No.	Particulars	Formula
1	Current Ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt Service Coverage Ratio	$= \frac{\text{Earnings before Interest, Depreciation and Tax}}{\text{Interest Expense + Principal Repayments made during the period for long term loans and lease payments}}$
3	Inventory Turnover Ratio	$= \frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Stock-in-Trade}}$
4	Trade Payables Turnover Ratio	$= \frac{\text{Purchases of Stock in Trade + Other Expenses}}{\text{Average Trade Payables}}$
5	Net Profit Ratio %	$= \frac{\text{Profit After Tax}}{\text{Revenue from Operations}}$
6	Return on Investment	$= \frac{\text{Net profit}}{\text{Total Assets}}$
7	Debt-Equity Ratio	$= \frac{\text{Total Debt}}{\text{Total Equity}}$
8	Trade Receivables Turnover Ratio	$= \frac{\text{Revenue from Operations}}{\text{Average Trade Receivables}}$
9	Net Capital Turnover Ratio	$= \frac{\text{Revenue from Operations}}{\text{Net Worth}}$
10	Return on Capital Employed	$= \frac{\text{Average Capital Employed}}{\text{Net Profit After Tax + Deferred Tax + Finance Cost (-) Other Income}}$

As per our report of even date attached
For M/S ASHISH V. PRABHU VERLEKAR & CO
Chartered Accountants
Firm Membership no. 117774W

CA. Ashish V. Prabhu Verlekar
Proprietor
Membership No. 103874

Place: Panaji - Goa
Date: 08 JUN 2024



For and on behalf of the Board
Kineco Limited.,

Shekhar Sardesai
Executive Vice Chairman &
Managing Director
DIN No. 00016446

Vivekanand Pauskar
Chief Financial Officer

Place: Pilerne - Goa
Date: 28 MAY 2024

Prashant Naik
Director
DIN No. 01866113

Manisha Naik Shirgaonkar
Company Secretary
M. No. A34734

