

# KINECO

## DIRECTORS' REPORT

To,  
The Members,  
Kinenco Limited

### Report of the Board of Directors for the Financial Year ending 31<sup>st</sup> March, 2025

Your Directors present herein below the 30<sup>th</sup> Annual Report on the business and operations of your Company and the financial statements for the Financial Year ended 31<sup>st</sup> March, 2025.

#### 1) Financial & Business Highlights (Standalone and Consolidated):

##### Standalone

A snap shot of the performance of the company as per Standalone financial statement is as under:

Particulars	(Rs. In Crore)	
	For FY 2024-25	For FY 2023-24
Turnover (Net)	177.16	124.84
EBITDA	31.66	20.29
Profit/(Loss) before tax	12.33	4.20
Profit/(Loss) after tax	7.26	2.18
Cash Profit	24.13	9.77

##### Consolidated

A snap shot of performance of the group as per consolidated financial statement is as under:

Particulars	(Rs. In Crore)	
	For FY 2024-25	For FY 2023-24
Turnover (Net)	244.86	174.52
EBITDA	44.17	31.75
Profit/(Loss) before tax	22.28	11.11
Profit/(Loss) after tax	12.72	7.35
Cash Profit	31.41	19.42

#### Year in Retrospect

FY 2025 marked a major rejig in your Company's shareholding structure. In Q1, the Company's then majority shareholder Indo National Ltd. sold its 51% equity stake while the Company concurrently did a primary equity fund raise of INR 88 crores through Preferential issue of shares via private placement basis. The Board of Directors was reconstituted thereafter with the founder promoter Mr. Shekhar Sardesai being appointed as the Chairman and Managing Director of the Company for a further period of 5 years. With equity capital shored up, the Company was able to reduce its financial leverage and establish a capital base to pursue the upcoming phase of exponential growth in each of its businesses.



#### KINECO LIMITED

(Formerly Kinenco Pvt. Ltd.)

Registered Office: 41, Pilerne Industrial Estate, Bardez, Goa-403 511,  
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CIN: U24134GA1994PLC001672

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During the year under review, your Company succeeded in realizing two notable inorganic growth opportunities, which have transformed the market positioning of the Company in respective sectors, namely:

- Acquisition of 49% equity stake held by then JV Partner Kaman Aerospace Group, Inc., USA in our Aerospace business entity making it a wholly owned subsidiary of your Company<sup>1</sup> (Sept 2024).
- Acquisition of 100% equity stake in Semvac A.S., Denmark, a leading brand in global rail industry for its sanitary systems through a SPV, Kineco Train Tech Pvt. Ltd. (Dec 2024).

<sup>1</sup> This WoS, Aerospace entity, Kineco Kaman Composites India Pvt. Ltd. has been subsequently amalgamated into Kineco Limited vide order dated 09 May 2025 of Regional Director (Mumbai), Ministry of Corporate Affairs, Govt of India.

During the year under review, your Company recorded annual revenues of INR 177.16 Crs (standalone) / INR 244.86 Crs (consolidated), registering a Y-o-Y increase of 41.9% (standalone)/ 40.3% (consolidated). On account of the revenue growth in its standalone businesses of Aerospace, defence and industrial and the above corporate events being earnings accretive, the Company's profitability received a impetus with Earnings before Interest, Dep. Tax & Amortization (EBITDA) for current FY2025 at INR 31.36 Crs (standalone) / INR 44.17 Crs as against INR 20.29 Crs (standalone) / INR 31.75 Crs (consolidated) in previous FY2024. The Profit before Tax came at INR 7.26 Crs (standalone)/INR 12.72 Crs (consolidated) as against INR 2.18 Crs (standalone) / INR 7.35 Crs (consolidated) in previous FY2024.

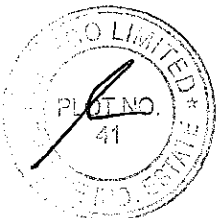
## RAILWAY

The year under review proved to be memorable for Company's Railways business, particularly its Global Rail brand, which is aimed at business from private rail car builders/global rail OEMs in India and overseas. The Global Rail brand accomplished two strategic milestones:

- Foray into the European rail market for sanitation systems through its acquisition of Semvac A/S, Denmark.
- Signing of the Company's maiden contract with the Indian subsidiary of a global rail car builder for design, development and supply of complete interiors for their 120 Vande Bharat (VB) Sleeper trains project in India.

Your Company had highlighted in its last year's report about the discussions ongoing with private rail car builders who have bagged VB sleeper train contract in India. This year, the Company fortified the relationship with the signing of the above contract and award of Purchase order amounting to INR 103.79 crores towards design and development for first two prototype trains. The Company is also in advanced stages of discussions with another private rail car builder for Vande Bharat trains.

The Company participated as an exhibitor under the "Kineco Global Rail" brand at InnoTrans 2024 Expo, Berlin, world's premier rail industry expo, attended by rail operators, OEMs, supply chain partners and stakeholders from across the globe. The Company showcased its all-new Plug and Slide main entrance door for rail coach access developed by its in-house Rail R&D centre at this expo. The Company has bagged its first development order from Indian Railways for its Auto Sliding Internal Compartment door in Q4 FY 2025.



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While the Company's sales efforts met with success with order intake in railways during the year under review at INR 143 crores, majority of these orders are due for execution in upcoming FYs '26 and '27. This coupled with limited tenders being floated by Indian rail coach factories during current FY for VB seater trains and delivery timelines of some key projects in Company's legacy domestic rail segment pushed to the right resulted in Company's Railway business registering a nearly 23% Y-o-Y decline in revenue from INR 100.01 crs in FY 2024 to INR 77.11 crs in FY 2025.

However, your Company's Railways business is poised for major rebound in coming FY2026 in terms of both turnover and profitability supported by strong order visibility for next 5-6 years. After establishing a footprint in European rail industry through Semvac, your Company aims to further expand the market reach, product offerings and customer base of its Global Rail business through organic and inorganic route and is pursuing other strategic European acquisitions.

With clear revenue visibility and steep business growth expected in the coming years, the Company has embarked on a capex plan to upgrade its railway manufacturing facility, install new process technologies and strengthen its supply chain network to meet the requirements of these new projects.

## **DEFENCE**

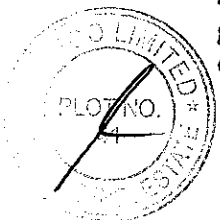
During the year under review, your Company's Defence business registered a 37.64% YoY growth in revenues to INR 22.16 crs as compared to INR 16.10 Crs in the previous FY. This growth was driven by the sales of its signature product, Sonar Dome to Indian Defence PSUs for their naval warships. The Company had an order intake of INR 20.36 crores in its Defence business and is expecting first export orders for Sonar Dome and repeat export orders for underwater tactical vehicle hull in next FY2026. The Company's Defence business with technical support of DRDO had successfully developed a lightweight modular Carbon fiber bridge for military applications in 2019. The product is now nearing serial commercialization and the Company has forged alliances with OEMs to participate as Project partners in the maiden tender for complete bridging systems floated by DRDO.

Your Company achieved a first of its kind strategic feat in August 2024 of obtaining a Defence Industrial License (DIL 16:2024), issued by the DPIIT, Ministry of Commerce and Industry, Govt of India. The Company is now one of few companies in India's defence sector holding the license to manufacture ballistic protection armor for military systems. The Company already has a MoU with an European company for developing ultra-light weight personal ballistic protection gear for armed forces and has qualified as one of the development partners for a Make-II Ballistic Helmet project of Indian Army.

Your Company continues to be the flag bearer of India's 'Make in India for Defence' Mission and 'Atmanirbhar Bharat' Program for self-reliance in advanced material products for Defence applications.

## **INDUSTRIAL**

During the year under review, the Company's Industrial business recorded a multifold jump in its revenues to INR 22.13 crores from INR 8.68 Crs in the previous FY. This is primarily attributed to the open order backlog of around INR 11 crores at start of this FY and consistent export business from its legacy customer of composite pressure vessels for global desalination projects. The Company is working towards expanding the customer/product basket of its Industrial business.



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## AEROSPACE

The global aerospace industry is ascending to unprecedented heights in the post-pandemic era, fueled by a substantial rebound in global passenger demand. With an increase in demand for new aircrafts, the commercial aerospace product design and manufacturing market is forecasted to grow to US\$251-253 billion by 2033 at a CAGR of 3-4%. The two major aerospace manufacturers - Airbus and Boeing - currently have approximately 15,000 aircraft in their order books. Furthermore, both companies project the addition of around 40,000 new aircraft over the next two decades. This surge in demand is not confined to large commercial aircraft; there is also a discernible growth in regional, cargo and business jets.

During the year, the Aerospace division of your Company achieved its highest turnover since its inception. The Aerospace division registered a turnover of Rs. 79.14 crores during the year as against Rs. 49.68 Crores during last year. The Profit before Interest and Depreciation increased from Rs. 9.35 crores to Rs. 16.52 crores. The Company's order book and order pipeline continues to remain strong with moderate growth expectations. During the year, your Company secured a long-term contract with GKN Aerospace UK for the manufacture and supply of composite components for global business jets. The Company also concluded Supply Chain Contract with FACC AG of Austria for sourcing of structural parts for their legacy passenger aircrafts work packages.

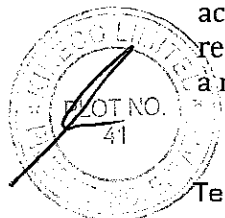
Your Company continued to fulfil the expectations of its customers on timely delivery and quality parameters in 2024-25. The Company maintained its 100% on-time delivery & 100% quality performance in respect of its deliveries to its flagship customer BAE Systems during the year. Kineco was felicitated with "Outstanding Achievement Award" in recognition of its significant contributions in BAE Systems' M777 India offset program.

Your Company continued its momentum of securing new RFQs and tender opportunities from reputed aerospace OEMs & Tier-1 customers from Europe, UK and USA in order to build a strong order pipeline backed by long term supply contracts. The Company's pricing proposals were well received by the Customers, and we are hopeful of converting them into confirmed orders. The Company participated in prominent aerospace, defence and composite exhibitions shows like Farnborough Air Show, Aero India, BAE Systems Supplier Fair at Minneapolis and JEC during the year.

Your Company concluded its 1<sup>st</sup> UAV contract from an Indian Defence Customer for the Indian MoD during the year and strengthened its Order book by adding 2 Purchase Orders for surveillance UAVs as well as two variants of Defence UAVs. The management is confident that successful execution of these initial contracts will create more business opportunities from Indian and global players.

Your Company continues to engage with Hindustan Aeronautics Limited (HAL) by contributing to the "Make in India" initiative by supplying critical components to HAL on the Light Combat Aircraft (LCA) program. Kineco technicians and engineers continued to work with ISRO-VSSC teams to make India self-reliant in future space explorations.

The Indian market for medical imaging equipment, including accessories like tabletops, armrests, and head extensions, shows strong growth potential. Factors like increasing healthcare expenditure, a rising incidence of chronic diseases, and a growing demand for accessible diagnostic solutions are driving this growth. During the year, your Company received a Purchase Order for medical imaging tabletops, Armrest & Head Extensions from a reputed supplier. This marked the return to the medical imaging business vertical after a



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decade. The management is hopeful of growing this business by adding new customers in coming years.

During the year, Kineco also initiated the Bhoomipujan (Groundbreaking) of its expansion site at the adjoining land at Plot No. 61-B. Spread over 30,000 Sq. Ft area, for construction of state-of-the-art Advanced Composites manufacturing unit to be used to produce primary aerostructures and complex assemblies.

During the year, Kineco Limited acquired the balance 49% equity stake in its subsidiary, Kineco Kaman Composites India Private Limited, from the U.S.-based J.V. partner Kaman Aerospace Group and in turn making the entity Wholly Owned Subsidiary of Kineco Limited<sup>1</sup>, the Board of Directors would like to thank Kaman Aerospace for their unwavering support and contribution to the success and growth of the aerospace business of the Company.

<sup>1</sup> This WoS, Aerospace entity, Kineco Kaman Composites India Pvt. Ltd. has been subsequently amalgamated into Kineco Limited vide order dated 09 May 2025 of Regional Director (Mumbai), Ministry of Corporate Affairs, Govt of India.

## **PULTRUSION**

Your Company's Joint Venture i.e. Kineco Exel Composites India Private Limited ("JV") with Exel Composites oyj is engaged in the manufacture of pultruded products and profiles using the Pultrusion Process. The Operations of the JV were shifted to the new location in Banda, Maharashtra, and the state-of-the-art facility is now fully functional and is ready to manufacture glass fiber as well as carbon fiber pultruded products.

Due to this shift, the facility and the Production/Quality processes had to undergo requalification from the existing and potential customers. Due to this, the JV lost 3 months of revenues with its existing customers. This has been successfully completed now, and new orders with the existing customers in telecom segment will commence soon.

The JV's core focus remains on wind energy segment and the new facility has been designed and built keeping this focus in mind. The JV received a large volume purchase order from its first customers in the Wind Energy segment, and also successfully executed a prototype order of 25 kilometers against the same. A final clearance for the commencement of serial production is awaited.

Additionally, the JV has already signed an export contract in the building construction segment for which the production is currently in progress.

Talent sourcing, management and retention will be of utmost importance during the ramp-up phase, and thereafter. The HR policies are being designed accordingly.

Based on the projected revenues from the wind order as well as existing revenue from other segments, the JV is expected to turnaround its financial performance and expects to achieve breakeven during the upcoming financial year.

Your Company continues to hold 45% Equity stake in the JV, while its JV partner Exel Composites oyj continues to hold 55% of the Equity stake in the JV.

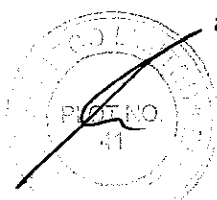
## **2) Management Discussion and Analysis**

### **a. Industry structure and developments.**

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Kineco offers a wide spectrum of composites for Aerospace, Defense, Railways, Automotive and Telecommunication sectors. The Company's primary business activity is manufacturing and selling of composite FRP products to these end use sectors. The Company's production facilities are located at Goa, India. As such there are no reportable geographic segments.

b. Outlook on Opportunities, Threats, Risk and Concerns.

The Company expects the margins in railways to remain under competitive pressure. To overcome these market conditions, the Company is taking various initiatives on operational excellence, which will result in higher efficiencies and lower costs. The Company is consistently pursuing new opportunities and partnerships to grow its non-railway business that will allow it to decrease its dependency on the railway business.

c. Internal control systems and their adequacy.

The Company has adequate Internal Control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The Internal Control system provide for well-documented policies, guidelines, authorizations and approval procedures. The prime objective of such Audit is to test the adequacy and effectiveness of all Internal Controls laid down by the management and to suggest improvements, wherever necessary.

During the year under review, the Internal Auditors of the Company, RGN Price & Co., have tendered their resignation and M/s. Grant Thornton Bharat LLP have been appointed to carry out Internal Audit of the Company.

d. Financial performance

The Consolidated Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) stood at Rs. 44.17 crores in FY 2024-25, as compared to Rs. 31.75 Cr in the previous FY, thereby recording an increase of 39.12% YoY.

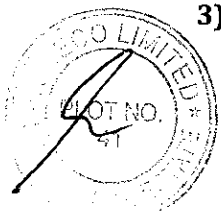
The Consolidated Net Profit after Tax in the year under review rose to Rs.12.72 crores in the FY 2024-25 as compared to Rs. 7.35 Cr in the previous Financial Year.

e. Human Resources / Industrial Relations

Human resources continue to be a key thrust area for the company. The Company's relationship with its employees continues to be cordial. This year the Company organized various seminars, training and workshops to enhance the skill levels of its employees. The Company also conducted a number of employee engagement e-workshops during the year. The number of employees stood at 216 as on 31<sup>st</sup> March, 2025.

In line with the approved Scheme of Amalgamation all the staff, workmen and employees of Kineco Kaman Composites India Private Limited ("KKCI") have become the staff, workmen and employees of the Company, without any break or interruption in their services, on terms and conditions not less favourable than, on which they are engaged with KKCI. The number of employees of the Company pursuant to the Amalgamation stands at 380 as on 31st March 2025

3) Comments on audit report:



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

During the year under review, the Scheme of Amalgamation of Kineco Kaman Composites - India Private Limited with Kineco Limited (with appointed date of 01/10/2024) was approved vide order of the Regional Director (WR) dated 09/05/2025. Pursuant to the Amalgamation order, the financial statements of Kineco Limited as on 31st March 2025 are presented giving effect to the Amalgamation with effect from 1st October 2024.

#### **4) Appointment of Statutory Auditors:**

M/s. Ashish V Prabhu Verlekar & Co., Chartered Accountants (Firm Registration No. 117774W), Panaji, Goa were appointed as Statutory Auditors for a period of 5 years, from the conclusion of Annual General Meeting held on 25<sup>th</sup> September, 2023 until the conclusion of the 34<sup>th</sup> AGM of the Company to be held in the year 2028, at a remuneration decided by the Board of Directors.

#### **5) Deposits:**

The Company has not accepted any deposits during the year.

#### **6) Insurance:**

All assets of the company are adequately insured under comprehensive risk policies, which are fully in force.

#### **7) Dividend:**

Your Directors have not recommended any dividend for the FY ended 31.03.2025.

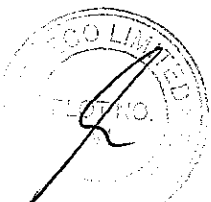
#### **8) Change in Share Capital**

The Authorised share capital of the Company was previously Rs. 20,50,00,000 (Rupees Twenty Crore and Fifty Lakhs) however pursuant to Clause 13.2 of the approved Amalgamation order the authorised Capital of the Company has been be increased to Rs. 33,50,00,000 (Rupees Thirty Three Crore and Fifty Lakhs Only) divided into 2,10,00,000 (Two Crore and Ten Lakhs) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each and 12,50,000 (Twelve Lakh Fifty Thousand) Cumulative optionally convertible preference shares of Rs. 100/- (Rupees Hundred only) each with the rights, privilege or conditions as are provided in the Articles of Association of the Company in force from time to time.

During the year under review, the Board of Directors approved the issue and allotment of 9,39,168 Equity Shares by way of Preferential issue on Private Placement basis in accordance with the Companies Act, 2013 to new shareholders. The Equity paid up share capital as on 31/03/2025 is Rs. 7,20,33,510 (Rupees Seven Crores Twenty Lakhs Thirty Three Thousand Five Hundred and Ten Only).

Further, the Company redeemed 8,00,000 1% cumulative Optionally convertible Preference Shares of Rs. 100 each amounting to Rs.8,00,00,000 held by Helios Strategic Systems Limited.

There were no further changes in the share capital during the year under review.



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## **9) Additional Information:**

The Company has duly complied with the provisions of Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **10) Energy conservation and technology absorption:**

The Company regularly monitored air emission sources and the ambient air quality and was able to maintain emission levels within regulatory standards. The Company takes adequate measures to reduce energy consumption.

## **11) Applications initiated / pending under IBC, 2016**

No application was made by the Company nor any proceedings were initiated/pending against it under the Insolvency and Bankruptcy Code 2016 (31 of 2016), hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable to the Company.

## **12) Disclosure with regard to One-time Settlement**

The Company has not made any one-time settlement during the year under review hence the requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable to the Company.

## **13) Secretarial Audit**

The provisions of Secretarial Audit are not applicable to the Company, during the year under review.

## **14) Directors**

During the year under review, Mr. Ramesh Rajan Natarajan resigned from his position as Director w.e.f. 06/05/2024 after completing his tenure as an Independent Director of Indo National Limited ("INL"), Ultimate Holding Company of Kinenco Limited.

With the resignation of Mr. Ramesh Natarajan, Indo National Limited nominated Mrs. Lakshmi Subramanian in his place. Mrs. Lakshmi Subramanian was appointed as Additional Director of the Company w.e.f. 07/05/2024.

Further, with the exit of INL after selling its majority shareholding, Mr. Pottipati Aditya Reddy, Mr. Subramanyam Mutnuru, Mr. Sivaramakrishnan, Mrs. Lakshmi Subramanian, Directors resigned from the Company w.e.f. 06/06/2024.

Mr. Vipin Aggarwal, Independent Director of the Company resigned w.e.f. 06.06.2024.

The Board places their appreciation and gratitude to the erstwhile directors who were nominated by Indi National Limited for their support, throughout the term of their offices.

Further, Mr. Lalit Balmukund Agrawal and Mr. Pankaj Prasoon were appointed as Additional Directors of the Company w.e.f. 01/10/2024.

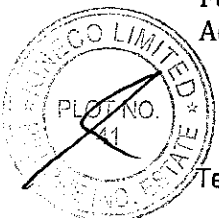
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Mr. Girish Anand Desai was appointed as Independent Director of the Company w.e.f. 03/10/2024.

Presently the Board of Directors of the company comprises of 7 (Seven) Directors.

Mr. Prashant Naik, who is liable to retire by rotation at the ensuing AGM, being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

The Company has received confirmations that none of the Directors were disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act and that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. There has been no change in the circumstances affecting their status as independent directors of the Company.

## **15) Key Managerial Personnel (KMP)**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are: Mr. Shekhar Sardesai, Chairman and Managing Director, Mr. Vivekanand Pauskar, Chief Financial Officer and Mrs. Manisha Naik Shirgaonkar, Company Secretary.

During the year under review, the Shareholders in its Annual General Meeting dated 30/09/2024 appointed Mr. Shekhar Sardesai as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 30/09/2024.

## **16) Performance and Financial Position of the Subsidiary/Joint Venture/Associate Company:**

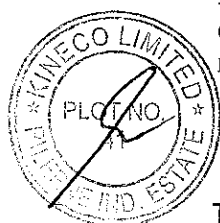
During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company with its subsidiary, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiary in the prescribed format **AOC - 1** is appended as **Annexure 1** to the Board's report. These documents will also be available for inspection during business hours at our registered office.

## **17) Particulars of Loans and Investments**

During the year under review, the Company purchased 49% of Equity shareholding from Kaman Aerospace Group INC (comprising of 56,43,023 Equity Shares) in the Company, thus making Kineco Kaman Composites India Private Limited a Wholly Owned Subsidiary of Kineco Limited.<sup>1</sup>

<sup>1</sup> Kineco Kaman Composites India Pvt. Ltd. has been subsequently amalgamated into Kineco Limited vide order dated 09 May 2025 of Regional Director (Mumbai), Ministry of Corporate Affairs, Govt of India.

Kineco's JV Company, Kineco Exel Composites India Private Limited issued Equity Shares on Rights issue basis to its existing shareholders in proportion to its shareholding in the ratio of 2 shares for every 7 existing shares. Accordingly, Kineco Limited subscribed to



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23,680 Equity Shares of KECI for business expansion purposes, planned capital expenditure and other general corporate purposes.

In December 2024, Kineco Train Tech Private Limited was incorporated under the Companies Act, 2013 with Mr. Shekhar Sardessai and Mr. Vinay Jagtap as its first Directors. Subsequently, the Company allotted 40,00,000 Equity Shares of Rs. 100 each (Face Value: Rs. 10 and Premium of Rs. 90) by way of Preferential issue on Private Placement basis to various shareholders.

Out of the 40,00,000 Equity Shares, Kineco Kaman Composites India Private Limited were allotted 15,00,000 Equity Shares. The remaining shareholders of Kineco Train Tech have entered into a Shareholder Agreement dated 24.12.2024 with Kineco Limited and Kineco Train Tech India Private Limited, conferring a right to the Board of Directors of Kineco Limited to nominate & appoint the majority of the Directors of Kineco Train Tech India Private Limited. Hence making Kineco Train Tech Private Limited a Subsidiary Company of Kineco Limited.

Further, in Dec 2024 Kineco Train Tech Private Limited acquired 100% stake in Semvac A/s, a Denmark based Company from Wabtec UK Holdings Limited, making Semvac A/S its wholly owned subsidiary. Semvac A/S is a recognized vacuum toilet systems brand in the global rail market, with an industry experience of over 40 years and the supply base of 19,000 operational systems installed worldwide.

The Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **18) Number of Board Meetings conducted during the year under review**

During the year under review, 21 (Twenty One) board meetings took place on 13<sup>th</sup> April 2024, 30<sup>th</sup> April 2024, 08<sup>th</sup> May 2024, 25<sup>th</sup> May 2024, 05<sup>th</sup> June 2024, 06<sup>th</sup> June 2024 (2 meetings), 07<sup>th</sup> June 2024, 12<sup>th</sup> July 2024, 30<sup>th</sup> July 2024, 07<sup>th</sup> August 2024, 08<sup>th</sup> August 2024, 31<sup>st</sup> August 2024, 10<sup>th</sup> September 2024, 03<sup>rd</sup> October 2024, 30<sup>th</sup> October 2024, 28<sup>th</sup> November 2024, 26<sup>th</sup> December 2024, 09<sup>th</sup> January 2025, 10<sup>th</sup> February 2025 and 13<sup>th</sup> March 2025.

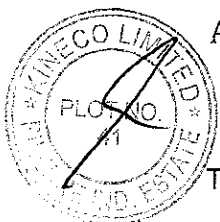
The Company has complied with all the Secretarial standards, as applicable to the Company.

## **19) Audit Committee**

The Committee comprises of 3 Directors. Majority of the members of the committee are Independent Directors and possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee. The committee had 07 (Seven) meetings during the year under review 8<sup>th</sup> May 2024, 25<sup>th</sup> May 2024, 10<sup>th</sup> September 2024, 3<sup>rd</sup> October 2024, 30<sup>th</sup> October 2024, 26<sup>th</sup> December 2024 and 10<sup>th</sup> February 2025.

Further, during the year under review, with the resignation of Mr. Ramesh Rajan, Mr. Vipin Agarwal and Mrs. Lakshmi Subramanian, the Audit committee was re-constituted and Mr. Girish Desai and Mr. Prashant Naik were appointed as members.

All the recommendations of the Audit Committee were accepted by the Board.



### **KINECO LIMITED**

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# KINECO

Composition of the Audit Committee:

- 1) Mr. Girish Desai - Chairman
- 2) Mr. Rajesh Khaunte - Member
- 3) Mr. Prashant Naik - Member

## **20) Nomination & Remuneration Committee**

The Committee comprises of 3 Directors. Majority of the members of the committee are Independent Directors. The committee had 04 (Four) meetings during the year under review on 08<sup>th</sup> August 2024, 10<sup>th</sup> September 2024 and 3<sup>rd</sup> October 2024 (2 meetings). All the recommendations of the committee were accepted by the Board.

Further, during the year under review, with the resignation of Mr. Vipin Agarwal and Mr. M. Subramanyam, the Nomination and Remuneration Committee was re-constituted and Mr. Girish Desai and Mr. Shekhar Sardesai were appointed as members.

Composition of the NRC Committee:

- i) Mr. Rajesh Khaunte - Chairman
- ii) Mr. Girish Desai - Member
- iii) Mr. Shekhar Sardesai - Member

## **21) Cost Audit**

The Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

During the year the Board appointed Mr. Irudayam Savari Muthu (FRN No.100107) as Cost Auditor of the Company for conducting the audit of cost records of the Company made and maintained by the Company pertaining to the financial year commencing from 01.04.2024 and ending on 31.03.2025. The change in remuneration of Mr. Irudayam Savari Muthu shall be presented to the Shareholders at the ensuing Annual General meeting of the Shareholders.

## **22) Vigil Mechanism/Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistleblower Policy for the employees to report their genuine concerns or grievances is made available to the employees. The Audit Committee of the Company oversees the Vigil Mechanism. The Vigil Mechanism / Whistleblower Policy is available on the Company's web page i.e. [www.kinecogroup.com](http://www.kinecogroup.com).

## **23) Corporate Social Responsibility (CSR)**

During the year under review, The Provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII, with respect to Corporate Social Responsibility were not applicable to the Company for the FY 2024-25.

Pursuant to Section 135(9) of Companies Act, 2013, since the Company's spending towards CSR does not exceed Rs 50 lakhs, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable and the functions of CSR Committee are being discharged by the Board of Directors of the Company. Hence, the company did not hold meeting of the CSR Committee.



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# KINECO

Annual Report on CSR activities are included in the Annexure-3 of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The CSR Policy of the Company is available on the website of the Company ([www.kinecogroup.com](http://www.kinecogroup.com)).

## **24) Related Party Transactions:**

Transactions entered into by the company are in its ordinary course of business and at arms' length price, and are completely outside the scope of section 188(1) of the Companies Act, 2013 and hence, this does not require disclosure of such transactions in the Board report, with the exception of a transaction as reported in Form AOC -2, annexed as **Annexure - 2** to this Report.

All transactions with related parties are placed before the Audit Committee for approval. The Audit Committee reviews all transactions entered into by the Company on a quarterly basis.

## **25) Risk Management**

A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed.

## **26) Prevention of sexual harassment at work**

The Company has put in place a 'Policy on Prevention of Sexual Harassment of Women at Work Place' with aim to redress sexual harassment instances, to create mechanism on redressal of such issues at workplace and sensitizes employees on how to report such offences to the committee. During the year no complaints of sexual harassment were received by the Internal Committee.

## **27) Foreign currency earning and outgo**

During the year, foreign currency inflows were Rs. 5987.39 lakhs and outflows were Rs. 1810.01 lakhs.

## **28) Material changes and commitments**

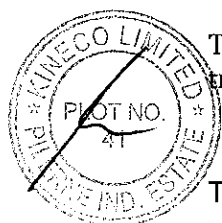
During the year under review, The Company acquired by way of purchase the entire shareholding of its Subsidiary Company, Kineco Kaman Composites India Private Limited thereby making it its Wholly-owned Subsidiary.

Kineco Kaman Composites India Private Limited was subsequently amalgamated into Kineco Limited vide order dated 09<sup>th</sup> May 2025 from the Regional Director, Mumbai.

There are no other material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

## **29) Significant and Material Orders**

There were no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operation in the future.



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# KINECO

## **30) Directors' Responsibility Statement:**

Pursuant to provisions of Section 134(3) (c) of the Companies Act, 2013, the directors hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.


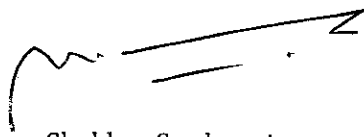
## **31) Annual Return**

The annual return referred to in Section 134(3)(a) of the Companies Act, 2013 will be available at the web address: [www.kinecogroup.com](http://www.kinecogroup.com).

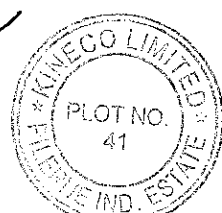
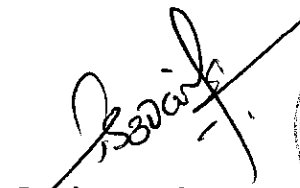
## **32) Acknowledgement**

The Directors place on record their appreciation for the continued support and co-operation rendered by the banks, government authorities, customers, suppliers and the shareholders of the Company. The Directors' also convey their thanks to their employees at all levels for the growth of the company.

For Kineco Limited



Shekhar Sardesai  
DIN: 00016446  
Chairman & Managing Director



Prashant Naik  
DIN: 01866113  
Director

Place: Pilerne, Goa  
Date: 18/08/2025

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# KINECO

## ANNEXURE 1

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	Kineco Train Tech Private Limited (from 11/12/2024 to 31/03/2025)	Kineco Kaman Composites India Pvt Ltd (upto 30/09/2024)	Kineco Alte Train Technologies Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A	N.A
4.	Share capital	4,00,00,000	11,51,64,000	1,80,60,870
5.	Reserves & surplus	59,30,66,054	36,45,28,000	(1,86,69,196)
6.	Total assets	1,09,19,42,035	1,16,26,56,000	43,941
7.	Total Liabilities	45,88,75,982	68,29,64,000	6,25,266
8.	Investments	0	0	0
9.	Turnover	44,64,35,274	23,52,81,000	0
10.	Profit before taxation	9,05,78,540	88,99,000	0
11.	Provision for taxation	NIL	9,32,000	0
12.	Profit after taxation	9,05,78,540	79,67,000	0
13.	Dividend	NIL	0	0
14.	% of shareholding	37.50%	51%	89.66%

#### Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

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# KINECO

Name of Associates/Joint Ventures	Kineco Exel Composites India private Limited
1. Latest audited balance sheet date	31/03/2025
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number	1,06,560
Amount of Investment in Associates/Joint Venture	1,06,56,000
Extend of Holding %	45%
3. Description of how there is significant influence	As per Section 2(6) of the Companies Act, 2013, significant influence means control of at least twenty per cent. of total share capital, or of business decisions under an agreement.  Since Kineco Limited holds 45% of Kineco Exel Composites India Private Limited (KECI), KECI becomes an associate Company of Kineco Limited.
4. Reason why the associate/joint venture is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	13,04,34,444
6. Profit / Loss for the year	
i. Considered in Consolidation	(-)4,15,53,758
ii. Not Considered in Consolidation	(-)5,07,87,926

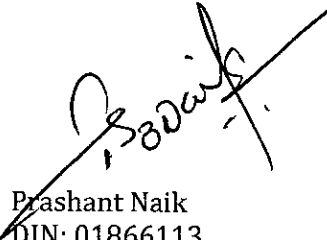
**Notes:** The following information shall be furnished at the end of the statement:

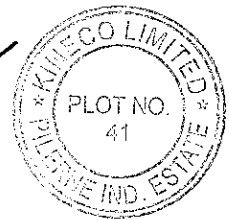
- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

For Kineco Limited

  
Shekhar Sardessai  
DIN: 00016446  
Chairman & Managing Director



  
Prashant Naik  
DIN: 01866113  
Director



Place: Pilerne, Goa  
Date: 18/08/2025

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# KINECO

## ANNEXURE 2

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NOT APPLICABLE
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
NA		

For Kineco Limited

Shekhar Sardesai  
DIN: 00016446  
Chairman & Managing Director



Prashant Naik  
DIN: 01866113  
Director



Place: Pilerne, Goa  
Date: 18/08/2025

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# KINECO

## ANNEXURE 3

### ANNUAL REPORT ON CSR ACTIVITIES

#### **1. A brief outline of the Company's CSR Policy:**

Kineco believes in inclusive growth to facilitate creation of value-based and empowered communities through continuous and purposeful engagement with society. Kineco has always endeavored to conduct its business responsibly, in compliance with applicable laws as well as being mindful of its social accountability. Kineco undertakes its CSR activities in the following focus areas:-

- initiatives aimed at transforming the lives of under privileged children & empowering women through education, skill development and access to opportunities
- Promoting health care including improving the water, sanitation and hygiene facilities in needy schools and localities; supporting waste management agencies.
- Skill Development, employability and technology incubations Plantations and afforestation activity with a view to ensuring environmental sustainability and ecological balance.
- Supporting relief & rehabilitation measures during natural disasters through donations to funds set up by the Central or state Government and Rural area development projects.

#### **2. The composition of the CSR committee:**

Since the Company's CSR spent does not exceed Rs 50 lakhs, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable and the functions of CSR Committee are being discharged by the Board of Directors of the Company. (Section 135(9) of Companies Act, 2013)

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. :** <https://www.kinecogroup.com>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any):**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)



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# KINECO

6. Average net profit of the Company as per section 135(5) of last 3 years: (-) Rs. 13,05,414

7. (a) Two percent of average net profit of the company as per section 135(5):	NIL
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
(c) Amount required to be set off for the financial year, if any	NIL
(d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 0

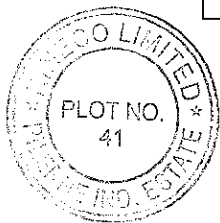
8. (a) **CSR amount spent or unspent for the financial year:** The provisions of CSR are not applicable to Kineco Limited during the financial year 2024-25. However, an amount of Rs. 16,62,000/- is spent by Kineco Kaman Composites India Private Limited during the financial year 2024-25 as per their CSR obligations.

Kineco Kaman Composites India Pvt. Ltd. was subsequently amalgamated into Kineco Limited vide order dated 09 May 2025 of Regional Director (Mumbai), Ministry of Corporate Affairs, Govt of India. The details of Kineco Kaman's spending before the Company was amalgamated with Kineco Limited are tabled below in 8 c.

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr No	CSR Project / activity	Sector (Schedule III)	Local area (Yes/No)	Location of the project		Amount spent (In Rs.)
				State	District	
1.	Rotary Club of Panaji Mid Town	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	3,70,150
2.	Dr. K. B. Hedgewar High School - Cujira	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	5,32,000
3.	Samraat Sangeet Academy	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	50,000
4.	Disha Charitable Trust.	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	2,40,000
5.	National Association For The Blind	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	2,70,000



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# KINECO

6.	Kasturba Gandhi National Memorial Trust-Hamara School	Promoting education and Employment enhancing vocation skills and overall development of street children	Yes	Goa	North Goa	
						2,00,000
Total						16,62,000

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: (8b+8c+8d+8e): Not Applicable

(g) Excess amount for set off, if any: NIL

**9. (a) Details of Unspent CSR amount for the preceding three financial years: N. A**

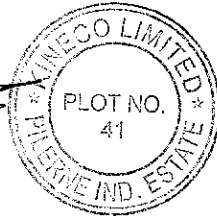
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable**

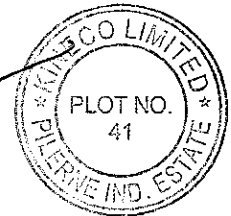
**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable**

For Kineco Limited

Shekhar Sardessai  
DIN: 00016446  
Chairman & Managing Director



Prashant Naik  
DIN: 01866113  
Director



Place: Pilerne, Goa  
Date: 18/08/2025

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# ASHISH.V. PRABHU VERLEKAR & CO

Chartered Accountants

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kineco Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Kineco Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2025, 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 standalone 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 Standalone 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 standalone 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 standalone financial statements.

#### Emphasis of Matter

We draw attention to Note 56 in the financial statements, regarding the merger of the Company with its subsidiary Kineco Kaman Composites- India Pvt Ltd, which was originally accounted for under the acquisition method in accordance with Ind AS 110. Prior to the merger, the Company acquired the Non Controlling Interest in the subsidiary resulting in the subsidiary being wholly owned at the time of the merger. Being a common control business combination, Ind AS 103 - Business Combinations requires the transferee Company to account for the business combination from the earliest comparative period. As per the Scheme of Merger, the accounting treatment in the financial statements of the Company has been given effect from the appointed date October 01, 2024, which in compliance with order of the

Regional Director (WR) dated May 09, 2025 approving the scheme. The comparative amounts for the previous year have been accordingly presented.

Our opinion is not modified with respect to this matter.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The 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 standalone financial statements and our Auditor's Report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements**

The 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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.

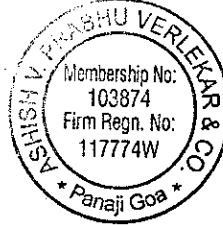
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for 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.
  - d) In our opinion, the aforesaid standalone 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 as on 31st March, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2025 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) 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 Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. (a) The Management has represented 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 Company has not proposed, declared or paid any interim or final dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. The audit trail feature was not available in the previous financial year and hence the audit trail has not been preserved by the Company for the previous financial year as per the statutory requirements for record retention.

For Ashish V. Prabhu Verlekar & Co.  
Chartered Accountants  
Firm's Registration No. 117774W



A handwritten signature in black ink, appearing to be "Ashish V. Prabhu Verlekar".

Ashish V. Prabhu Verlekar  
Proprietor  
Membership No. 103874  
UDIN: 25103874BMINRW9414

Place: Panaji - Goa  
Date: 30.06.2025

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A) Based on information and explanations provided to us, the company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
B) Based on information and explanations provided to us, the company has maintained proper records showing full particulars of intangible assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us the Company does not have any immovable properties in the nature of freehold land and buildings.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory was physically verified during the year by the management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The company has been sanctioned working capital limits in excess of five crore rupee from banks on the basis of security of current assets. The monthly statements filed by the company with the bank are in agreement with the books of account of the Company.
- (iii) The Company has not made provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year other than loans and Corporate Guarantee and further investment in respect of Associate Company – Kineco Exel Composites Private Limited and investment in Subsidiary Companies – Kineco Kaman Composites Private

Limited (merged into Kineco Limited w.e.f. 01/10/2024) and Kineco Train Tech Private Limited.

- (a) (A) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to the above are:

Type of transaction	Entity	Type of relationship	Aggregate Amount (in Rs. Lakhs)	Balance Outstanding (in Rs. Lakhs)
Corporate Guarantee (HDFC Bank)	Kineco Exel Composites India Private Limited	Associate Company	500.00	500.00
Unsecured loan	Kineco Exel Composites India Private Limited	Associate Company	120.00	0.00
Unsecured loan	Kineco Train Tech Private Limited	Subsidiary	2300.00	0.00

(B) No loans or advances and guarantees or security were provided to parties other than subsidiaries, joint ventures and associates;

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) There are no amounts overdue.
- (e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The provisions of sections 185 and 186 of the Companies Act have been complied with in respect of loans, investments, guarantees, and security, by the Company to the extent applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-Section (1) of Section 148 of the Act in respect of its products and are of the opinion that,

prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, sales tax, service tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2025.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The term loans were applied for the purpose for which the loans were obtained.

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

- (e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

- (b) The Company has made preferential allotment by private placement of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with to the extent applicable to the Company and the funds raised have been used for the purposes for which the funds were raised. The Company has not

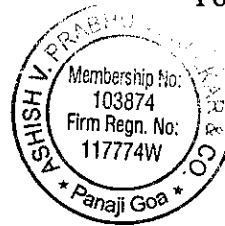
issued convertible debentures (fully, partially or optionally convertible) during the year.

- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) To the best of our knowledge, the Group does not have any CIC as part of the group.
- (xvii) The company has not incurred cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) The Company has current liabilities exceeding current assets. However, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we believe that the Management has taken measures to mitigate the material uncertainty of the Company not being 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, existing as on the date of the audit report.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.



For Ashish V. Prabhu Verlekar & Co.  
Chartered Accountants

Firm's Registration No. 117774W

Ashish V. Prabhu Verlekar  
Proprietor

Membership No. 103874

UDIN: 25103874BMINRW9414

Place: Panaji - Goa

Date: 30.06.2025

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**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”)**

We have audited the internal financial controls over financial reporting of Kinenco Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **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, the Company has, 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, 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Ashish V. Prabhu Verlekar & Co.  
Chartered Accountants  
Firm's Registration No. 117774W



Ashish V. Prabhu Verlekar  
Proprietor  
Membership No. 103874  
UDIN: 25103874BMINRW9414

Place: Panaji - Goa  
Date: 30.06.2025

**Kineco Limited**  
**CIN: U24134GA1994PLC001672**  
**41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403 511**  
**Balance Sheet as at March 31, 2025**

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
		Rupees in lakhs	Rupees in lakhs
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	6,189.00	3,188.98
(b) Capital work-in-progress	3	72.65	-
(c) Intangible assets	4	1,821.88	334.25
(d) Intangible assets under development	4	361.95	289.20
(e) Right-of-use assets	5	365.54	112.62
		<u>8,791.02</u>	<u>3,903.03</u>
<b>(f) Financial assets</b>			
(i) Investments	6	2,570.74	833.70
(ii) Other financial assets	7	27.63	18.70
(g) Non current tax assets (net)	8	111.70	47.72
(h) Deferred tax assets (net)	9	-	67.03
(i) Other non-current assets	10	93.96	19.97
<b>Total non-Current assets</b>		<u><b>11,595.05</b></u>	<u><b>4,890.15</b></u>
<b>(2) Current assets</b>			
(a) Inventories	11	3,999.25	2,041.52
<b>(b) Financial assets</b>			
(i) Trade Receivables	12	8,566.33	7,477.46
(ii) Cash and cash equivalents	13	131.52	0.52
(iii) Other bank balances	14	1,384.81	18.72
(iv) Other current financial assets	15	515.11	181.91
		<u>10,597.77</u>	<u>7,678.61</u>
(c) Other current assets	16	1,376.24	1,018.86
<b>Total Current assets</b>		<u><b>15,973.27</b></u>	<u><b>10,739.00</b></u>
<b>Total Assets</b>		<u><b>27,568.32</b></u>	<u><b>15,629.14</b></u>
<b>EQUITIES AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	720.34	626.42
(b) Other equity	18	10,827.04	829.48
<b>Total equity</b>		<u>11,547.38</u>	<u>1,455.90</u>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	19	1,136.01	2,804.66
(ii) Lease liabilities	20	84.93	46.29
(b) Deferred tax liabilities (net)	9	463.73	-
(c) Provisions	21	238.41	188.19
(d) Other non current liabilities	22	206.91	-
<b>Total non-current liabilities</b>		<u>2,129.99</u>	<u>3,038.14</u>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	23	6,949.40	7,352.41
(ii) Lease liabilities	24	11.85	23.54
<b>(iii) Trade Payables</b>			
A. Total outstanding dues of micro enterprises and small enterprises; and		896.46	1.67
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,318.65	3,528.20
(iv) Other financial liabilities	26	29.48	26.81
(b) Provisions	27	220.96	17.71
(c) Current tax liabilities (net)	28	-	-
(d) Other current liabilities	28	1,464.15	183.77
<b>Total current liabilities</b>		<u>13,890.95</u>	<u>11,134.11</u>
<b>Total liabilities</b>		<u>16,020.94</u>	<u>14,173.25</u>
<b>Total equity and liabilities</b>		<u><b>27,568.32</b></u>	<u><b>15,629.14</b></u>

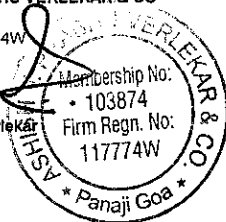
See accompanying notes to the financial statements

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



For and on behalf of the Board of Directors of  
Kineco Limited

Shekhar Sardesai  
Chairman & Managing Director  
DIN No. 00016246

Vivekanand Pauskar  
Chief Financial Officer

Prashant Naik  
Director  
DIN No. 01866113

Manisha Naik Shirgaonkar  
Company Secretary  
M. No. A34734

Place : Panaji, Goa  
Date : 30-06-2025

Place : Pilerne, Goa  
Date : 30-06-2025



**Kineco Limited**

CIN: U24134GA1994PLC001672

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403 511

Statement of Profit and Loss for the period ended March 31, 2025

Particulars	Note No.	Year ended March 31, 2025 Rupees in lakhs	Year ended March 31, 2024 Rupees in lakhs
I Revenue from operations	29	17,715.52	12,484.14
II Other income	30	181.34	262.12
III Total income (I + II)		<u>17,896.86</u>	<u>12,746.26</u>
IV Expenses			
(a) Cost of materials consumed	31	7,497.89	6,660.27
(b) Changes in inventories of finished goods and work in progress	32	746.58	(113.91)
(c) Employee benefits expense	33	2,877.86	1,868.98
(d) Finance costs	34	745.02	1,045.16
(e) Depreciation and amortisation expense	3 & 4	1,187.25	564.39
(f) Other expenses	35	3,608.89	2,301.64
Total expenses (IV)		<u>16,663.48</u>	<u>12,326.52</u>
V Profit before tax		1,233.38	419.74
VI Tax expense	37		
(a) Current tax		117.43	-
(b) Deferred tax		382.14	194.23
(c) Tax of prior years		(3.42)	-
VII Profit for the year (V - VI)		<u>737.23</u>	<u>225.51</u>
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		(12.68)	(7.67)
(ii) Equity instruments through other comprehensive income		(0.18)	0.48
(iii) Income tax relating to items that will not be reclassified to profit or loss		1.59	-
IX Total comprehensive income for the year (VII + VIII)		<u>725.96</u>	<u>218.31</u>
X Earnings per equity share (in Rs.)			
Basic		10.32	3.49
Diluted		10.32	3.49

See accompanying notes to the financial statements

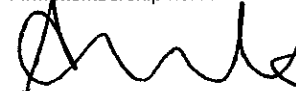
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In terms of our report attached.

For M/S ASHISH V. PRABHU VERLEKAR &amp; CO

Chartered Accountants

Firm Membership no.117774W

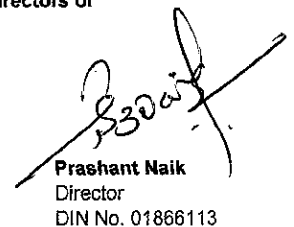


CA. Ashish V. Prabhu Verlekar

Proprietor

Membership No. 103874

For and on behalf of the Board of Directors of  
Kineco Limited

Shekhar Sardesai  
Chairman & Managing Director  
DIN No. 00016446

Praehant Naik  
Director  
DIN No. 01866113

Vivekanand Pauskar  
Chief Financial Officer

Manisha Naik Shirgaonkar  
Company Secretary  
M. No. A34734Place : Panaji, Goa  
Date : 30-06-2025Place : Pilerne, Goa  
Date : 30-06-2025

Kineco Limited  
CIN: U24134GA1994PLC001672  
41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403 511  
Standalone Cash Flow Statement for year ended 31st March 2025

Particulars	Rupees in lakhs	
	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash Flows from Operating Activities</b>		
Total comprehensive income for the year	725.96	218.31
<b>Add:</b>		
(a) Depreciation and amortisation expenses	1,187.25	564.39
(b) Income Tax expense	114.01	-
(c) Provision for doubtful debts	11.99	22.07
(d) Interest on Borrowings	745.02	1,045.16
(e) Deferred tax	380.55	194.23
(f) Deferred revenue grant on Asset procurement	(10.14)	-
(g) Amortisation of right of use of leased assets	7.72	7.72
(h) Gain on sale of Property Plant and Equipment	0.09	(2.09)
(i) Provision for employee benefits (net)	50.22	-
(j) Equity instruments through OCI	0.18	(0.48)
	2,486.89	1,831.00
<b>Less:</b>		
(a) Interest income	70.13	44.31
(b) Unrealised exchange gain / (Loss)	(2.69)	(8.14)
	(67.44)	(36.17)
Profit before changes in working capital	3,145.41	2,013.14
<b>Adjustment for Increase / (Decrease) in operating Liabilities</b>		
(a) Trade payables	796.78	78.44
(b) Short-term provisions	(1.95)	4.02
(c) Current tax liabilities	(57.64)	-
(d) Non-current liabilities	0.01	92.73
(e) Lease liabilities	(15.42)	0.70
(f) Other non-current liabilities	(40.14)	28.70
(g) Other Financial liabilities	(2,187.64)	40.44
<b>Adjustment for (Increase) / Decrease in operating Assets</b>		
(a) Inventories	658.10	(343.85)
(b) Trade receivables	(528.50)	694.64
(c) Other current assets	235.42	534.50
(d) Other current financial assets	(190.14)	104.91
(e) Movement in term deposit held as a margin (net)	-	150.53
(f) Non current tax assets	101.98	-
(g) Other financial assets	719.47	(5.98)
(h) Right-of-use assets	1.84	-
(i) Other non-current assets	(52.41)	45.34
	(530.23)	1,425.31
Cash generated from Operations	2,615.18	3,438.45
<b>Less:</b> Income tax payments	(62.45)	(69.46)
	(62.45)	(69.46)
Net Cash generated from / (used in ) Operating Activities	2,552.73	3,368.99
<b>Cash Flows from Investing Activities</b>		
(a) Purchase of Property, Plant and Equipment	(2,568.83)	(638.63)
(b) Sale proceeds of Property, Plant and Equipment	7.46	3.22
(c) Loan to Kineco Exel Composites India Pvt Ltd	(120.00)	(120.00)
(d) Investment in Equity Shares of Kineco Exel Composites India Pvt Ltd	(824.55)	-
(e) Investment in Equity Shares of Kineco Train Tech Pvt Ltd	(1,500.00)	-
(f) Cash and cash equivalents acquired pursuant to amalgamation with subsidiary company	3,143.05	-
(g) Purchase of shares in Kineco Kaman Composites - India Private Limited (merged w.e.f. 01.10.2024)	(3,361.55)	-
(h) Interest received	70.13	44.31
	(4,914.29)	(711.10)



**Kineco Limited**  
**CIN: U24134GA1994PLC001672**  
**41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403 511**  
**Standalone Cash Flow Statement for year ended 31st March 2025**

Particulars	Rupees in lakhs	
	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash Flows from Financing Activities</b>		
(a) Proceeds from issue of Equity Share	8,799.98	-
(b) Issue expenses of Equity Shares	(282.50)	-
(c) Repayment of Long Term Borrowing	(2,397.71)	(1,672.22)
(d) Short Term Borrowing	(1,514.24)	(353.41)
(e) Loan term debt under current Liabilities	0.83	-
(f) Interest on Borrowings	(745.02)	(1,045.16)
	3,861.34	(3,070.80)
Net Increase / (Decrease) in cash and cash equivalents	1,499.79	(412.91)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(2.69)	(8.14)
<b>Add: Opening balance of cash and cash equivalents</b>	<b>19.24</b>	<b>421.56</b>
<b>Closing balance of cash &amp; cash equivalents</b>	<b>1,516.34</b>	<b>0.52</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet</b>		
Cash and cash equivalents	131.52	0.42
Other bank balances	1,384.81	0.10
	1,516.34	0.52

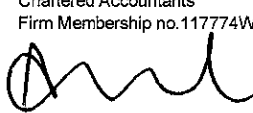
See accompanying notes to the financial results

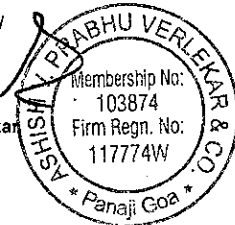
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**Footnotes:**


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

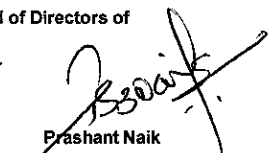
As per our report of even date attached  
**For M/S ASHISH V. PRABHU VERLEKAR & CO**  
Chartered Accountants  
Firm Membership no.117774W

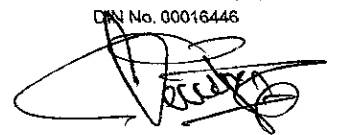
  
**CA. Ashish V. Prabhu Verlekar**  
Proprietor  
Membership No. 103874

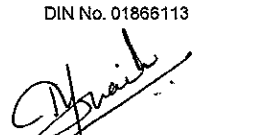


For and on behalf of the Board of Directors of  
**Kineco Limited**

  
**Shekhar Sardesai**  
Chairman & Managing Director  
DIN No. 00016446

  
**Prashant Naik**  
Director  
DIN No. 01866113

  
**Vivekanand Pauskar**  
Chief Financial Officer

  
**Manisha Naik Shirgaonkar**  
Company Secretary  
M. No. A34734

Place: Panaji - Goa  
Date : 30-06-2025

Place: Pilerne - Goa  
Date : 30-06-2025



## Kineco Limited

CIN: U24134GA1994PLC001672

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403 511

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

## A Equity Share Capital

Particulars	Rupees in lakhs
Balance as at April 1, 2023	626.42
Changes in equity share capital during the year	-
Balance as at March 31, 2024	626.42
Changes in equity share capital during the year	93.92
Balance as at March 31, 2025	720.34

## B Other Equity

Particulars	Reserves and surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Reserves on Business Combination	Capital Reserves	Retained earnings	Re-measurement or defined benefit obligations	Equity instruments through other comprehensive income	
Balance as at March 31, 2023	2,479.88	-	10.07	(1,867.22)	(12.33)	0.76	611.16
<b>Add/ (Less)</b>							
Profit/ (loss) for the year	-	-	-	225.51	-	-	225.51
Other comprehensive income for the year	-	-	-	-	7.67	(0.48)	7.20
Total Comprehensive Income for the year	-	-	-	225.51	7.67	(0.48)	232.71
<b>As at March 31, 2024</b>	2,479.88	-	10.07	(1,641.70)	(20.00)	1.24	829.48
<b>Add/ (Less)</b>							
Profit/ (loss) for the year	-	-	-	737.23	-	-	737.23
Other comprehensive income for the year	-	-	-	-	(11.09)	(0.18)	(11.27)
Total Comprehensive Income for the year	-	-	-	737.23	(11.09)	(0.18)	725.96
Securities Premium on equity shares issued	8,706.06	-	-	-	-	-	8,706.06
Additions on merger	-	-	-	3,731.86	(86.56)	-	3,645.28
Capital reserve on account of merger	-	(2,797.24)	-	-	-	-	(2,797.24)
Share issue Expenses	(282.50)	-	-	-	-	-	(282.50)
<b>As at March 31, 2025</b>	10,903.45	(2,797.24)	10.07	2,827.39	(117.67)	1.06	10,827.04


See accompanying notes to the financial statements

1 to 57

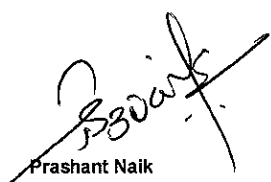
In terms of our report attached.

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

For and on behalf of the Board of Directors of  
Kineco Limited

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

  
Shekhar Sardesai  
Chairman & Managing Director  
DIN No. 00016446

  
Prashant Naik  
Director  
DIN No. 01866113

  
Vivekanand Pauskar  
Chief Financial Officer

  
Manisha Naik Shirgaonkar  
Company Secretary  
M. No. A34734

Place : Panaji, Goa  
Date : 30-06-2025

Place : Pilerne, Goa  
Date : 30-06-2025



Kineco Limited

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

**1 Company information**

a) Kineco Limited (the "Company") is a public limited company incorporated on 10th October, 1994 under the name and style "Mass Kinematics Private 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 & IRIS certified ) at Goa, India. Kineco Limited offers a wide spectrum of composites for Aerospace, Defence, Railways, Automotive, Motorsport, Telecommunication & Chemical Industries. Kineco has a wide range of process capabilities which include vacuum bagging/prepreg autoclave moulding, multi axis CNC filament winding, resin transfer moulding, resin infusion, pultrusion and conventional hand lay-up

**b) Technology partnerships**

In the year 2010, Kineco had formed technology partnerships, Joint Ventures and strategic alliances with major global players viz. Alte, Spain for rail car interiors/exterior and toilet modules/systems. The Company holds 89.66% shares in subsidiary Kineco Alte Train Technologies Private Limited.

**c) Merger with Kineco Kaman Composites - India Private Limited**

In the year 2012, Kineco had formed a joint venture with Kaman Aerospace Group (subsidiary of Kaman Corporation, USA) called "Kineco Kaman Composites - India Private Limited", and was holding 51% stake.

In Sep 2024, Kineco purchased from Kaman Aerospace Group INC 49% of equity shareholding (comprising of 56,43,023 equity shares) in the company, thus making Kineco Kaman Composites - India Private Limited a Wholly Owned Subsidiary of Kineco Limited.

Thereafter, the shareholders in their meeting held on 10th March 2025 approved the scheme of merger between Kineco Kaman Composites India Pvt Ltd with Kineco Limited. The scheme of merger of Kineco Kaman Composites - India Private Limited with Kineco Limited with appointed date 1st October 2024, was approved vide order of the Regional Director (WR) dated 9th May 2025. Accordingly, the financial statements of Kineco Limited as on 31st March 2025 are presented giving effect to the merger with effect from 1st October 2024, in compliance with the said order.

**d) Divestment by Indo National Limited**

In 2015 Indo National Limited, a listed company through its subsidiary company Helios Strategic Systems Limited had acquired 51% controlling stake in Kineco Limited. The company had entered into shareholders agreement with the promoter, Mr. Shekhar Sardesai and Helios Strategic Systems (I) 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. On 6th June 2024, Helios Strategic Systems Ltd. divested its investment in Kineco Limited by transfer of shares and thereafter Helios Strategic Systems Limited ceased to be the Holding Company and consequently Indo National Limited ceased to be the Ultimate Holding Company of Kineco Limited

**e) Joint Venture with Exel Composites Oyj, Finland**

On 14 October 2021, Kineco Limited had 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 through this Associate Company, Kineco Exel Composites India Private Limited.

During the current financial year, Kineco Exel Composites India Private Limited issued Equity Shares on Rights issue basis to its existing shareholders in proportion to its shareholding for business expansion purposes, planned capital expenditure and other general corporate purposes.

**f) Investment in Kineco Train Tech Private Limited**

In December 2024, Kineco Train Tech Private Limited was incorporated under the Companies Act, 2013 with Mr. Shekhar Sardesai and Mr. Vinay Jagtap as its first Directors. Subsequently, the Company allotted 40,00,000 Equity Shares by way of Preferential issue on Private Placement basis of which Kineco Kaman Composites - India Private Limited were allotted 15,00,000 Equity Shares.

Thereafter, shareholders of Kineco Train Tech have entered into a Shareholder Agreement dated 24th December 2024 with Kineco Limited and Kineco Train Tech India Pvt Ltd, conferring a right to the Board of Directors of Kineco Limited to nominate and appoint the majority of the Directors of Kineco Train Tech India Pvt Ltd. hence making Kineco Train Tech India Private Limited a subsidiary company of Kineco Limited.

Further, in Dec 2024 Kineco Train Tech Private Limited acquired 100% stake in Semvac A/S, a Denmark based Company from Wabtec UK Holdings Limited, making Semvac A/S its wholly owned subsidiary. Semvac A/S is a recognized complete sanitary solutions brand in the global rail market; with an industry experience of over 40 years and offers a platform for Kineco to launch its product portfolio of sanitary cabins and interior products in the European market.

These financial statements are approved for issue by the Board of Directors on June 30, 2025.



Kineco Limited

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

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

The financial statements of the Company 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 Company 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 Functional and Presentation Currency**

The financial statements are prepared in Indian Rupees, which is the Company'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.

**d Operating Cycle**

All assets and liabilities have been classified as current and non-current having regard to the Company'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".

**e 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 Company 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.

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

The Company 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 (n) below.

**iii) Actuarial Valuation:**

The determination of Company'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 (l) below.

**f 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.



Kineco Limited

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

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.

#### **g 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.

#### **h 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.

#### **i Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **Company as a Lessee:**

The Company 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 Company 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 Company 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 Company 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 Company 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.

The Company 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 Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company 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.



Kineco Limited

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

**j 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.

**k 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 Company 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 Company's cash balances in the Statement of cash flows. The Company did not have any cash equivalents as at March 31, 2025 and March 31, 2024.

**l Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company 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 pre-tax 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.

**m Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer. The Company 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 Company satisfies performance obligations by transferring the promised goods and services to its customers.

The Company 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 Company satisfies a performance obligation before it receives the consideration, the Company 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 Company presents revenues net of indirect taxes in its Statement of Profit and loss.

**n 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 Company 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.



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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 Company 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.

**o 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.

**p Borrowings and borrowing costs**

The Company 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.

**q 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.

**r 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 Company.

**ii) Long term**

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

Defined contribution plans

The Company's contribution to provident fund and family pension fund made to regulatory authorities and where the Company 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.



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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 availment of encashment of such accrued benefit or where the availment 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.

**s Financial Instruments**

Financial assets and financial liabilities are recognised when the Company 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 Company has elected to present subsequent changes in fair value in other comprehensive income in case of investments based on its business model.

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.

Investment in subsidiaries, associates & joint ventures

Investment in subsidiaries, associates & joint ventures is carried at cost in the separate financial statements.

Impairment of financial assets

The Company 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 Company 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.



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Derecognition of financial assets

The Company derecognises an financial asset when (i) the contractual rights to receive cash flows from the asset expire, or (ii) the Company 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 Company has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Company 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 Company 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 Company 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 item.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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 Company 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.

**t Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and the Company 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.

**u Business combination**

Business combinations arising from transfers of interests in entities that are under common control are accounted using pooling of interest method. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in equity.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination is as per Scheme of Merger approved by competent authority, the accounting treatment shall be from the appointed date only in compliance with the order of the competent authority.



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

	As at March 31, 2025	As at March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>Carrying amounts of:</b>		
Buildings	2,291.31	1,706.78
Plant and equipment	2,949.08	484.25
Electrical Fittings	49.11	54.66
Furniture and fixture	82.12	64.83
Vehicles	104.95	30.77
Office equipments	39.51	24.24
Computers	39.65	37.22
Laboratory Equipment	5.15	2.97
Composites, Tooling, Patterns and Dies	608.13	761.25
	<b>6,169.00</b>	<b>3,166.96</b>
Capital work-in-progress*	72.65	-
	<b>6,241.65</b>	<b>3,166.96</b>

Particulars	Rupees in lakhs									
	Buildings	Plant and equipment	Electrical Fittings	Furniture and fixture	Vehicles	Office equipment	Computers	Laboratory Equipment	Composite Tooling, Patterns & Dies	Total
<b>Gross carrying amount</b>										
<b>As at March 31, 2023</b>	<b>2,142.78</b>	<b>1,260.91</b>	<b>127.24</b>	<b>127.82</b>	<b>54.37</b>	<b>130.58</b>	<b>185.26</b>	<b>10.78</b>	<b>2,119.09</b>	<b>6,158.84</b>
Additions	46.01	39.97	6.43	6.95	25.83	9.64	6.45	-	306.34	447.62
Disposal	-	-	-	-	22.65	-	-	-	-	22.65
<b>As at March 31, 2024</b>	<b>2,188.78</b>	<b>1,300.89</b>	<b>133.67</b>	<b>134.77</b>	<b>57.54</b>	<b>140.21</b>	<b>191.71</b>	<b>10.78</b>	<b>2,425.43</b>	<b>6,583.81</b>
<b>On Business Combination</b>	<b>822.72</b>	<b>3,689.02</b>	<b>-</b>	<b>65.74</b>	<b>95.73</b>	<b>52.68</b>	<b>87.62</b>	<b>-</b>	<b>-</b>	<b>4,813.51</b>
Additions	25.75	149.53	4.35	8.04	36.87	10.23	17.44	4.10	253.90	510.19
Disposal	-	7.00	-	-	16.50	-	0.92	-	-	24.42
<b>As at March 31, 2025</b>	<b>3,037.26</b>	<b>5,132.44</b>	<b>138.02</b>	<b>208.55</b>	<b>173.64</b>	<b>203.12</b>	<b>295.85</b>	<b>14.88</b>	<b>2,679.32</b>	<b>11,883.09</b>
<b>Accumulated depreciation</b>										
<b>As at March 31, 2023</b>	<b>414.71</b>	<b>762.60</b>	<b>69.57</b>	<b>58.79</b>	<b>43.41</b>	<b>105.11</b>	<b>131.19</b>	<b>6.76</b>	<b>1,328.74</b>	<b>2,920.82</b>
Depreciation expenses	67.30	54.04	9.43	11.15	4.88	10.87	23.31	1.05	335.43	517.47
Elimination on disposal	-	-	-	-	21.52	-	-	-	-	21.53
<b>As at March 31, 2024</b>	<b>482.01</b>	<b>816.63</b>	<b>79.00</b>	<b>69.94</b>	<b>26.77</b>	<b>115.98</b>	<b>154.49</b>	<b>7.82</b>	<b>1,664.18</b>	<b>3,416.86</b>
<b>On Business Combination</b>	<b>177.78</b>	<b>1,183.81</b>	<b>-</b>	<b>42.55</b>	<b>45.87</b>	<b>38.39</b>	<b>69.27</b>	<b>-</b>	<b>-</b>	<b>1,557.67</b>
Depreciation expenses	86.17	184.20	9.91	13.93	11.72	9.24	32.43	1.91	407.02	756.54
Elimination on disposal	-	1.29	-	-	15.68	-	-	-	-	16.96
<b>As at March 31, 2025</b>	<b>745.96</b>	<b>2,183.35</b>	<b>88.91</b>	<b>126.43</b>	<b>68.68</b>	<b>163.61</b>	<b>256.20</b>	<b>9.73</b>	<b>2,071.20</b>	<b>6,714.10</b>
<b>Net carrying amount</b>										
<b>As at March 31, 2023</b>	<b>1,728.07</b>	<b>498.32</b>	<b>57.67</b>	<b>69.03</b>	<b>10.96</b>	<b>25.47</b>	<b>54.07</b>	<b>4.02</b>	<b>790.35</b>	<b>3,237.91</b>
<b>As at March 31, 2024</b>	<b>1,706.78</b>	<b>484.25</b>	<b>54.66</b>	<b>64.83</b>	<b>30.77</b>	<b>24.24</b>	<b>37.22</b>	<b>2.97</b>	<b>761.25</b>	<b>3,166.96</b>
<b>As at March 31, 2025</b>	<b>2,291.31</b>	<b>2,949.08</b>	<b>49.11</b>	<b>82.12</b>	<b>104.95</b>	<b>39.51</b>	<b>39.65</b>	<b>5.15</b>	<b>608.13</b>	<b>6,168.99</b>

\* Capital Work-in-progress ageing schedule

Particulars	As at March 31, 2025		As at March 31, 2024	
	Rupees in Lakhs		Rupees in Lakhs	
	Projects in	Projects	Projects in	Projects
Less than 1 year	72.65	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>72.65</b>	<b>-</b>	<b>-</b>	<b>-</b>



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## 4 Other Intangible assets

	As at	As at
	March 31, 2025	March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>Carrying amounts of:</b>		
Filament Winding Project	-	-
Sky Bus Coaches Project	3.13	12.45
Optical Telescopic Structures	86.59	101.02
Sonar Dome for R&DEE and BEL for Ships	-	-
TOT for R&DEE	64.93	81.17
Single & Double Leaf Door	109.13	121.26
Intangible - Non Compete Fee	1,425.00	-
Development of Reduced Mobility Toilet System	94.72	-
Computer Softwares	38.37	18.35
	<b>1,821.88</b>	<b>334.25</b>
Intangible assets under development	361.95	289.20
	<b>2,183.83</b>	<b>623.46</b>

Particulars	Rupees in lakhs									
	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	Development of Reduced Mobility Toilet System	Intangible - Non Compete Fee	Computer Softwares	Total
<b>Gross carrying amount</b>										
<b>As at March 31, 2023</b>	59.10	186.47	288.67	99.46	161.10	-	-	-	100.91	895.72
Additions	-	-	-	-	-	121.26	-	-	13.97	135.23
Disposal	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	59.10	186.47	288.67	99.46	161.10	121.26	-	-	114.89	1,030.95
On Business Combination	-	-	-	-	-	-	-	-	132.41	132.41
Additions	-	-	-	-	-	-	94.72	1,800.00	18.75	1,913.47
Disposal	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2025</b>	59.10	186.47	288.67	99.46	161.10	121.26	94.72	1,800.00	266.04	3,076.83
<b>Accumulated depreciation</b>										
<b>As at March 31, 2023</b>	58.08	164.59	173.21	99.46	63.70	-	-	-	90.80	649.75
Depreciation expenses	0.99	9.32	14.44	-	16.23	-	-	-	5.94	46.92
Elimination on disposal	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	59.08	174.02	187.65	99.46	79.93	-	-	-	96.54	696.67
On Business Combination	-	-	-	-	-	-	-	-	127.54	127.54
Depreciation expenses	-	9.32	14.44	-	16.23	12.13	-	375.00	3.59	430.71
Elimination on disposal	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2025</b>	59.08	183.34	202.08	99.46	96.17	12.13	-	375.00	227.87	1,264.92
<b>Net carrying amount</b>										
<b>As at March 31, 2023</b>	1.01	21.77	115.46	0.00	97.40	-	-	-	10.31	245.96
<b>As at March 31, 2024</b>	-	12.45	101.02	-	81.17	121.26	-	-	18.35	334.26
<b>As at March 31, 2025</b>	-	3.13	86.59	-	64.93	109.13	94.72	1,425.00	38.37	1,821.88

## \* Intangible assets under development ageing schedule

Particulars	As at March 31, 2025		As at March 31, 2024	
	Rupees in Lakhs		Rupees in Lakhs	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	361.95	-	289.20	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>361.95</b>	<b>-</b>	<b>289.20</b>	<b>-</b>



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Particulars	As at March 31, 2025	As at March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>5 Right-of-use assets</b>		
Right-of-use of leased assets (Refer Note No. 41)	365.54	112.62
<b>Total</b>	<b>365.54</b>	<b>112.62</b>
<b>6 Non Current Investment</b>		
<b>i) Quoted - Investment carried at fair value through other comprehensive income</b>		
<b>Equity Instruments</b>		
500 Equity Shares of Bank of Baroda of Rs. 2/- fully paid up (as at 31 March 2024, 500 Equity shares of Rs.2/- each)	1.14	1.32
<b>ii) Investments in Equity Instruments of Subsidiaries carried at cost</b>		
<b>Kineco Alte Train Technologies Private Limited</b>		
16,21,787 Equity Shares of Rs.10/- fully paid up (as at 31 March 2024, 16,21,787 Equity shares of Rs. 10/- each)	162.18	162.18
<b>Kineco Kaman Composites - India Private Limited</b>		
(as at 31 March 2024, 58,73,350 Equity shares of Rs. 10/- each) <i>Note: The scheme of merger of Kineco Kaman Composites - India Private Limited with Kineco Limited with appointed date 01/10/2024 was approved vide order of the Regional Director (WR) dated 09/05/2025</i>	-	587.34
<b>Kineco Train Tech Private Limited</b>		
15,00,000 Equity Shares of Rs.10/- fully paid up (as at 31 March 2024, Nil)	1,500.00	-
<b>iii) Unquoted - Investment carried at Cost</b>		
Investment in Equity Instruments of Associate		
1,06,550 Equity Shares of Rs.100/- fully paid up of <b>Kineco Exel Composites India Private Limited</b> (as at 31 March 2024, 82,870 Equity shares of Rs. 100/- each)	907.42	82.87
<b>Total</b>	<b>2,570.74</b>	<b>833.70</b>
<b>7 Other financial assets</b>		
Security deposits	22.92	18.70
Bank deposits with more than 12 months maturity	4.70	-
Interest accrued on Bank deposits with more than 12 months maturity	0.01	-
<b>Total</b>	<b>27.63</b>	<b>18.70</b>
<b>8 Non-current tax assets (net)</b>		
Income tax payments less liabilities	111.70	47.72
<b>Total</b>	<b>111.70</b>	<b>47.72</b>



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Particulars	As at March 31, 2025	As at March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>9 Deferred tax assets (Net)</b>		
<b>Deferred tax liabilities:</b>		
Depreciation allowance	550.19	250.51
	<u>550.19</u>	<u>250.51</u>
<b>Deferred tax assets:</b>		
Provision for employee benefits	86.47	67.82
Amount inadmissible u/s 40(a)	-	-
Provision for doubtful debts	(0.00)	-
Unabsorbed depreciation and business losses	-	249.72
	<u>86.47</u>	<u>317.54</u>
<b>Net deferred tax assets / (liability)</b>	<u><b>(463.73)</b></u>	<u><b>67.03</b></u>
<b>10 Other non-current assets</b> (Unsecured, considered good, unless otherwise stated)		
Capital advances	77.37	10.77
Prepaid expenses	11.09	9.20
<u>Balance with government authorities</u> GST and Customs Duty Receivable	5.51	-
<b>Total</b>	<u><b>93.96</b></u>	<u><b>19.97</b></u>
<b>11 Inventories</b> (At the lower of cost and net realisable value)		
Raw materials (Including Goods-in-transit of Rs 183.75 lakhs (as at March 31, 2024 Rs 146.39 lakhs)	2,686.49	1,375.50
Work in progress	786.21	559.50
Consumables, stores and spares (Including Goods-in-transit of Rs 12.54 lakhs (as at March 31, 2024 Rs 2.95 lakhs)	526.23	106.52
Finished Goods	0.32	-
<b>Total</b>	<u><b>3,999.25</b></u>	<u><b>2,041.52</b></u>



## Kinenco Limited

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	As at March 31, 2025	As at March 31, 2024
	Rupees in Lakhs	Rupees in Lakhs
<b>12 Trade receivables</b>		
Trade receivables - unsecured		
(i) Considered good	8,566.33	7,477.46
(ii) Significant increase in credit risk	62.92	50.93
	8,629.25	7,528.39
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	(62.92)	(50.93)
<b>Total</b>	<b>8,566.33</b>	<b>7,477.46</b>

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

<b>Balance at March 31, 2023</b>	<b>28.86</b>
Add: Created during the year	22.07
Less: Released during the year	-
<b>Balance at March 31, 2024</b>	<b>50.93</b>
Add: Created during the year	11.99
Less: Released during the year	-
<b>Balance at March 31, 2025</b>	<b>62.92</b>

## Trade Receivables Ageing

Particulars	As at March 31, 2025 (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	7,782.48	755.85	26.76	21.17	30.13	-	8,616.39
(ii) Disputed Trade Receivables – credit impaired	-	0.76	0.25	-	-	11.85	12.86
<b>Total</b>	<b>7,782.48</b>	<b>756.61</b>	<b>27.01</b>	<b>21.17</b>	<b>30.13</b>	<b>11.85</b>	<b>8,629.25</b>

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	6,291.44	1,169.82	25.30	29.98	-	-	7,516.53
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	11.85	11.85
<b>Total</b>	<b>6,291.44</b>	<b>1,169.82</b>	<b>25.30</b>	<b>29.98</b>	<b>-</b>	<b>11.85</b>	<b>7,528.39</b>



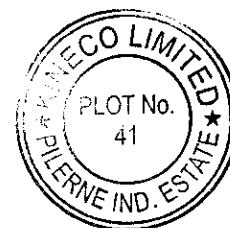
**Kineco Limited**

41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511

Notes forming part of the financial statements as at and for the year ended March 31, 2025.

CIN: U24134GA1994PLC001672

Particulars	As at March	As at March
	31, 2025	31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>13 Cash and cash equivalents</b>		
Cash on hand	2.41	0.42
Balances with banks		
In current accounts	5.72	0.10
In EEFC accounts	123.39	-
<b>Total</b>	<b>131.52</b>	<b>0.52</b>
<b>14 Other bank balances</b>		
Margin money deposit (represents amounts pledged with banks as security for guarantees issued and letters of credit)	89.51	18.72
Term deposits with original maturity period of more than three months	1,295.30	-
<b>Total</b>	<b>1,384.81</b>	<b>18.72</b>
<b>15 Other current financial assets</b>		
(Unsecured considered good unless otherwise stated)		
Interest accrued on bank deposits	92.22	1.40
Earnest Money & Security Deposits	422.88	180.51
<b>Total</b>	<b>515.11</b>	<b>181.91</b>
<b>16 Other current assets</b>		
(Unsecured considered good unless otherwise stated)		
Advances to employees	7.22	2.52
Prepaid expenses	86.57	67.57
Advances to Suppliers	396.38	353.49
Amounts with government authorities	857.69	475.28
Advance to Kineco Exel Composites India Private Limited	-	120.00
Export incentives receivable	25.77	-
Contract assets	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.		
<b>Total</b>	<b>1,376.24</b>	<b>1,018.86</b>



## Kineco Limited

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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	As at March	As at March
	31, 2025	31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>17 Equity Share capital</b>		
<u>Authorised</u>		
80,00,000 (as at March 31, 2024 80,00,000) equity shares of Rs.10 each	800.00	800.00
12,50,000 (as at March 31, 2024 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>		
72,03,351 (as at March 31, 2024 62,64,183) Equity shares of Rs.10 each	720.34	626.42
<b>Total</b>	<u><b>720.34</b></u>	<u><b>626.42</b></u>

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	939,168	93.92	-	-
At the end of the year	<u>7,203,351</u>	<u>720.34</u>	<u>6,264,183</u>	<u>626.42</u>

**b. Shareholding of Promoters:**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	% holding	Number of Shares	% holding
Shekhar Sardessai	2,619,950	36.37%	2,558,605	40.84%

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

The Company has 72,03,351 (Prev. Year 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	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	% holding	Number of Shares	% holding
Shekhar Sardessai	2,619,950	36.37%	2,558,605	40.84%
Helios Strategic Systems Ltd	-	-	3,194,148	50.99%
Gajanana Assets and Projects SPV LLP	970,436	13.47%	-	-
Ashish Kacholia	362,600	5.03%	-	-

In 2015, the company entered into shareholders agreement with the promoter, Mr. Shekhar Sardessai 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 Strategic Systems Ltd, and to jointly manage and grow the Company. On 6th June 2024, Helios Strategic Systems Ltd. exited the joint venture by transfer of shares.



Kineco Limited

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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

## 18 Other Equity

Rupees in lakhs

Particulars	Reserves and surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Reserves on Business Combination	Capital Reserves	Retained earnings	Re-measurement of defined benefit obligations	Equity instruments through other comprehensive income	
<b>Balance as at March 31, 2023</b>	2,479.88	-	10.07	(1,867.22)	(12.33)	0.76	611.16
<b>Add/ (Less)</b>							
Profit/ (loss) for the year	-	-	-	225.51	-	-	225.51
Other comprehensive income for the year	-	-	-	-	7.67	(0.48)	7.20
Total Comprehensive Income for the year	-	-	-	225.51	7.67	(0.48)	232.71
<b>As at March 31, 2024</b>	2,479.88	-	10.07	(1,641.70)	(20.00)	1.24	829.48
<b>Add/ (Less)</b>							
Profit/ (loss) for the year	-	-	-	737.23	-	-	737.23
Other comprehensive income for the year	-	-	-	-	(11.09)	(0.18)	(11.27)
Total Comprehensive Income for the year	-	-	-	737.23	(11.09)	(0.18)	725.96
Securities Premium on equity shares issued	8,706.06	-	-	-	-	-	8,706.06
Additions on merger	-	-	-	3,731.86	(86.58)	-	3,645.28
Capital reserve on account of merger	-	(2,797.24)	-	-	-	-	(2,797.24)
Share issue Expenses	(282.50)	-	-	-	-	-	(282.50)
<b>As at March 31, 2025</b>	10,903.45	(2,797.24)	10.07	2,827.39	(117.67)	1.06	10,827.04



## Kinenco Limited

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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: UZ4134GA1994PLC001672

Particulars	As at March	As at March
	31, 2025	31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>19 Non - Current borrowings</b>		
Working Capital Term Loan (Secured)		
From Banks (see footnote a below)	539.63	1,312.96
Term-loans (secured)		
From banks (see footnote b below)	580.43	-
From financial institutions (see footnote c below)	5.94	-
Liability Component of Preference Shares (see footnotes d below)	-	1,001.71
Term Loans from others (unsecured) (see footnote e below)	-	490.00
<b>Total</b>	<b>1,136.01</b>	<b>2,804.66</b>

**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 81A. Extension of charge over remaining fixed assets. Also secured by personal guarantee of Shekhar Sardesai and Ultimate Holding Company, Indo National Limited (upto 6th June, 2024).

b. One FCNR term loans carries interest rates of 7.88% to 7.94% (Previous year 8.03% to 9.03%) per annum. 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 USD 18,333 (approx. Rs. 15.27 lakhs) each, the first instalment is payable in September 2019 the last instalment payable in February 2026.

The Company has taken another loan of Rs. 800 lakhs during the year for purchase of Machinery which carries an interest rate of 7.90% to 8.81% per annum. 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 73 monthly instalments of USD 13,429 (approx. Rs. 11.19 lakhs) each, the first instalment is payable in April 2024 the last instalment payable in May 2030.

The Company has taken 2 vehicle-loans from banks which carries interest rate of 7.50% to 8.00% per annum. This loan is secured by hypothecation of the vehicle and is repayable in 24 equated monthly instalments.

c. Vehicle loan from Financial Institution 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. 23.

**d. Preference Shares:**

Particulars	March 31, 2025		March 31, 2024	
	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
Less: Redeemed during the year	(8,000,000)	(800.00)	-	-
At the end of the year	-	-	8,000,000	800.00

**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.

**Details of shareholders holding more than 5% shares**

Particulars	March 31, 2025		March 31, 2024	
	Number of Shares	% holding	Number of Shares	% holding
Helios Strategic Systems Limited	-	-	8,000,000	100%

**e. Unsecured loans**

Unsecured loans were classified under non-current borrowing based on renewal terms entered into with the lenders. During the year, the amounts are classified under current borrowing. The loans carry interest ranging from 14% to 15.5%.

**20 Non-current lease liabilities**

Lease liabilities (see note no 41)	84.93	46.29
<b>Total</b>	<b>84.93</b>	<b>46.29</b>



Kinenco Limited

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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	As at March 31, 2025 Rupees in lakhs	As at March 31, 2024 Rupees in lakhs
<b>21 Non Current provisions</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences benefits (see note no 42 )	162.04	127.26
Gratuity (see note no 42 )	76.37	60.93
<b>Total</b>	<b>238.41</b>	<b>188.19</b>
<b>22 Other non current liabilities</b>		
Deferred government grant	206.91	-
<b>Total</b>	<b>206.91</b>	<b>-</b>
<b>23 Current borrowings</b>		
Loans repayable on demand		
From a bank (Secured)		
Cash credit (See footnote a below)	3,185.06	5,829.14
Export packing credit (See footnote b below)	1,285.62	-
Current maturities of long-term debt		
Term loans from Bank (refer footnote a and b of Note 19 above)	782.07	557.39
Term loans from financial institutions (refer footnote c of Note 19 above)	38.52	-
Current maturities of term loans from others (unsecured) (see footnotes e of Note 19 above)	470.00	-
Liability Component of Preference Shares (see footnotes d of Note 19 above)	-	430.88
Book Overdraft (refer footnote c below)	187.93	-
Loans and advances from related party (unsecured)		
From Holding Company (upto 6th Jun 2025)	-	535.00
From Directors	1,000.00	-
(refer footnote d below)		
<b>Total</b>	<b>6,949.40</b>	<b>7,352.41</b>
<b>Footnotes:</b>		
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 Sardessai and Ultimate Holding Company, Indo National Limited (upto 6th June 2024). 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.		
b. 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, 2024 3.25% per annum).		
c. Book Overdraft represents cheques issued by the Company not presented as on March 31, 2025.		
d. Loans from Holding Company and Directors are unsecured and repayable on demand and carry interest rate from 9% to 13%.		
<b>24 Lease Liabilities</b>		
Lease liabilities (see note no 41 )	11.85	23.54
<b>Total</b>	<b>11.85</b>	<b>23.54</b>



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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	As at March 31, 2025	As at March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>25 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	896.46	1.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,318.65	3,528.20
<b>Total</b>	<b>5,215.12</b>	<b>3,529.87</b>

**A Trade Payables Ageing**

Particulars	As at March 31, 2025					
	Rupees in lakhs					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small	877.12	19.35	-	-	-	896.46
(ii) Others	4,111.01	205.36	0.66	-	1.63	4,318.65

Particulars	As at March 31, 2024					
	Rupees in lakhs					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small	1.67	-	-	-	-	1.67
(ii) Others	2,844.10	684.10	-	-	-	3,528.20

**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, 2025	As at March 31, 2024
	Rupees in lakhs	Rupees in lakhs
Outstanding principal Amount and interest as on March 31, 2025		
- Principal amount	896.46	1.76
- Interest due thereon	-	-
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)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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	-	-



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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	As at March 31, 2025 Rupees in lakhs	As at March 31, 2024 Rupees in lakhs
<b>26 Other financial liabilities</b>		
Interest accrued but not due on borrowings	21.56	22.64
Payables on purchase of fixed assets	7.92	4.17
<b>Total</b>	<b>29.48</b>	<b>26.81</b>
<b>27 Provisions</b>		
Provision for employee benefits Compensated absences	124.48	17.71
Provision for employee benefits Gratuity	96.48	-
<b>Total</b>	<b>220.96</b>	<b>17.71</b>
<b>28 Other current liabilities</b>		
Contract liabilities - Advances from customers	1,347.43	143.76
Statutory remittances (Contributions to PF, ESIC and LWF, withholding taxes, GST etc.)	96.39	40.01
Deferred government grant	20.33	-
<b>Total</b>	<b>1,464.15</b>	<b>183.77</b>



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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	Year ended March 31, 2025 Rupees in lakhs	Year ended March 31, 2024 Rupees in lakhs
<b>29 Revenue from operations</b>		
<b><u>Sale</u></b>	17,547.71	12,464.51
<b><u>Other Operating Income</u></b>		
Scrap sale	15.68	19.63
Export incentives	152.13	-
<b>Total</b>	<b>17,715.52</b>	<b>12,484.14</b>

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 financing arrangement requiring adjustment to the transaction price.

**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.



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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>Sale</b>		
Manufacture and sale of parts	15,380.98	11,829.23
Manufacture and sale of parts on job work basis	262.51	-
Sales of Services	1,904.22	635.28
	<b>17,547.71</b>	<b>12,464.51</b>
<b>Geographical markets</b>		
India	11,560.32	11,691.63
Other Countries	5,987.39	772.88
	<b>17,547.71</b>	<b>12,464.51</b>

**30 Other Income****Interest Income**

- on bank deposits	63.69	6.91
- on income tax refund	6.44	2.78
- on Interest others	-	37.40
- on Interest on Loan to Related Party	5.29	10.61

**Other Non operating income**

Sundry balances written back (net)	-	0.21
Vivad Se Vishwas Late Delivery Charges	-	100.58
Deferred government grant income	10.14	-
Profit on sale of assets	0.09	2.09
Custom incentives	41.80	39.06
Rent from sub-lease of plot no 61	46.86	62.48
Miscellaneous Income	7.04	-

<b>Total</b>	<b>181.34</b>	<b>262.12</b>
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**31 Cost of materials consumed**

Stock at Commencement	2,684.93	1,252.28
Add: Purchases ,Stores & Spares	7,520.92	6,663.32
Add: Goods in transit	196.29	149.34
Add: Freight Inward, Custom Duty & Clearance Charges	308.46	77.36
	10,710.60	8,142.30
Less: Stock at close	3,212.72	1,482.02

<b>Total</b>	<b>7,497.89</b>	<b>6,660.27</b>
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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	Year ended March 31, 2025 Rupees in lakhs	Year ended March 31, 2024 Rupees in lakhs
<b>32 Changes in inventories of finished goods work-in-progress and stock-in-trade</b>		
Inventories at the end of the year		
Work in Process	786.21	559.50
Finished Goods	0.32	-
	786.53	559.50
Inventories at the beginning of the year		
Work in Process (including on merger)	1,306.09	445.59
Finished Goods (including on merger)	227.02	-
	1,533.11	445.59
<b>Net (increase)/ decrease</b>	<b>746.58</b>	<b>(113.91)</b>
<b>33 Employee benefits expenses</b>	<b>746.58</b>	<b>(113.91)</b>
Salaries and wages	2,608.70	1,676.13
Staff welfare expenses	82.74	59.22
Contribution to PF, ESIC, & Other Funds	140.63	105.18
Gratuity (see note no. 42)	45.79	28.45
<b>Total</b>	<b>2,877.86</b>	<b>1,868.98</b>
<b>34 Finance costs</b>		
Interest on borrowings from banks	475.10	681.86
Interest on borrowings from holding company (including preference shares)	129.60	187.14
Interest on others	90.70	130.98
Others borrowing costs	37.40	44.30
Interest on Lease Liability	2.17	0.88
Net loss on foreign currency transactions and translations (considered as finance costs)	10.06	-
<b>Total</b>	<b>745.02</b>	<b>1,045.16</b>



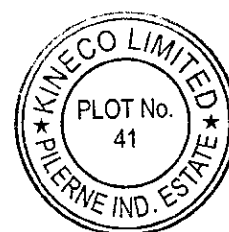
**Kineco Limited**

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Notes forming part of the financial statements as at and for the year ended March 31, 2025

CIN: U24134GA1994PLC001672

Particulars	Year ended March 31, 2025  Rupees in lakhs	Year ended March 31, 2024  Rupees in lakhs
<b>35 Other expenses</b>		
Outsourced Services	731.12	705.13
Consumption of Packing Material	11.92	31.30
Consumption of stores and spare parts	327.04	-
Labour expenses	29.60	-
Fuel, power and water	176.89	117.76
Security Expenses	104.46	80.82
Design and Engineering Expenses	1.94	1.59
<b>Repair &amp; Maintenance:</b>		
- Plant & Machinery	84.56	31.02
- Building	22.51	17.23
- Others	73.88	30.75
Rates & Taxes	16.14	15.12
Printing and stationery	12.85	11.17
Travelling & Conveyance	157.74	131.57
Communication Charges	31.16	35.24
Insurance Charges	82.33	36.37
Rent	19.71	19.84
Professional Fees	508.36	213.19
<b>Auditor's Remuneration:</b>		
- For Audit Matters	15.97	5.50
- For Taxation Matters	1.95	1.50
Internal Audit & Other Matters	13.19	12.94
Amortisation of right of use of leased assets (Refer Note 41)	9.55	7.72
Sundry Balances written off	0.25	0.02
Late Delivery Claims	19.04	167.69
Miscellaneous Expenses	79.60	22.78
Donation	0.95	4.95
Scrap Disposal	20.85	11.77
Inspection & Testing Charges	40.69	38.77
Sales & Agents Commission	158.52	136.38
Recruitment expenses	0.03	-
Royalty	31.71	7.69
Establishment expenses	16.91	-
Corporate social responsibility expenses (Refer note 47)	8.37	-
Provision for doubtful debts (expected credit losses allowance)	11.99	22.07
Advertisement and business promotion Expenses	268.21	132.21
Freight Charges Outward	516.23	243.41
Net loss on foreign currency transactions and translations	2.69	8.14
<b>Total</b>	<b>3,608.89</b>	<b>2,301.64</b>



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Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Rupees in lakhs	Rupees in lakhs
<b>36 Tax expense</b>		
<b>a Income tax recognised in Statement of Profit and Loss</b>		
Current tax in respect of current year	117.43	-
Tax of prior years	(3.42)	-
Deferred tax	382.14	194.23
<b>Total</b>	<b>496.15</b>	<b>194.23</b>
<b>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:</b>		
Profit before tax	1,233.38	419.74
Indian statutory income tax rate (Average of rates adopted by holding and subsidiary company)	25.17%	25.17%
Income tax expense	424.13	105.64
Effect of expenses that are not deductible in determining taxable profit	36.09	27.27
Effect of expenses that were disallowed in the previous years, deductible in determining taxable profit	(15.12)	(15.01)
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	50.06	75.08
Permanent difference on expenses disallowed	2.82	1.25
Taxes of prior years	(3.42)	-
Tax relating to items that will not be reclassified to profit or loss	1.59	-
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>496.15</b>	<b>194.23</b>
<b>c Income tax recognised in Other Comprehensive Income</b>		
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined obligations and equity instruments	3.24	1.81
Impact of Set-off of brought forward losses	(3.24)	(1.81)
Total income tax recognised in other comprehensive income	-	-
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	1.59	1.81
Impact of set-off of brought forward losses	-	(1.81)
<b>Total</b>	<b>1.59</b>	<b>-</b>



37 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
<b>As at 31st March 2024</b>				
Non-Current Investments*	-	1.32	-	1.32
Trade receivables	-	-	7,477.46	7,477.46
Cash and cash equivalents	-	-	0.52	0.52
Other bank balances	-	-	18.72	18.72
Other current financial assets	-	-	181.91	181.91
Other Non current financial assets	-	-	18.70	18.70
<b>Total</b>	-	<b>1.32</b>	<b>7,697.30</b>	<b>7,698.62</b>
<b>As at 31st March 2025</b>				
Non-Current Investments*	-	1.14	-	1.14
Trade receivables	-	-	8,566.33	8,566.33
Cash and cash equivalents	-	-	131.52	131.52
Other bank balances	-	-	1,384.81	1,384.81
Other current financial assets	-	-	515.11	515.11
Other Non current financial assets	-	-	27.63	27.63
<b>Total</b>	-	<b>1.14</b>	<b>10,625.40</b>	<b>10,626.55</b>

\* 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
<b>As at 31st March 2024</b>				
Non-current borrowings	-	-	2,804.66	2,804.66
Current borrowings	-	-	7,352.41	7,352.41
Non Current Lease Liabilities	-	-	46.29	46.29
Trade payables	-	-	3,529.87	3,529.87
Lease Liabilities	-	-	23.54	23.54
Other current financial liabilities	-	-	26.81	26.81
<b>Total</b>	-	-	<b>13,783.58</b>	<b>13,783.58</b>
<b>As at 31st March 2025</b>				
Non-current borrowings	-	-	1,136.01	1,136.01
Current borrowings	-	-	6,949.40	6,949.40
Non Current Lease Liabilities	-	-	84.93	84.93
Trade payables	-	-	5,215.12	5,215.12
Lease Liabilities	-	-	11.85	11.85
Other current financial liabilities	-	-	29.48	29.48
<b>Total</b>	-	-	<b>13,426.78</b>	<b>13,426.78</b>

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, 2025	As at March 31, 2024
<b>Financial assets - at fair value through other comprehensive income:</b>		
Non-Current Investments (other than equity instruments of subsidiaries)	1.14	1.32
<b>Total</b>	<b>1.14</b>	<b>1.32</b>



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iv Risk management frameworka) 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
<b>As at March 31, 2025</b>			
Interest bearing liabilities	782.07	5,606.89	6,388.96
Trade payables	5,215.12	-	5,215.12
Other financial liabilities	29.48	84.93	114.41
<b>As at March 31, 2024</b>			
Interest bearing liabilities	557.39	8,633.80	9,191.19
Trade payables	3,529.87	-	3,529.87
Other financial liabilities	26.81	46.29	73.10

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, 2025	As at March 31, 2024
Long term borrowings (Refer note 19)	1,136.01	2,804.66
Short term borrowings (Refer note 23)	4,470.88	5,829.14
Current maturities of long term debt (Refer note 23)	782.07	557.39
Net debt	6,388.96	9,191.19
Total equity	11,547.38	1,455.90
Total capital	17,936.33	10,647.09
Gearing ratio	36%	86%



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**38 Contingent Liabilities**

(i) Bank Guarantees issued by the bank on behalf of the Company Rs 826.17 lakhs (Previous year: Rs. 810.89 lakhs)

(ii) Letter of Credit issued by the bank on behalf of the Company: NIL (Previous year: Rs 73.85 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 Forty 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 46th 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, 2024 Rs 1300.00 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, 2024 Rs 2,885.40 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 NIL (March 31, 2024 Rs. 1,033.84 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.

**39 Commitments:**

Estimated amount of contracts remaining to be executed on capital account: Rs 835.81 lakhs (Previous year: Rs. 41.80 lakhs)

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

**41 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, 2023 (date of transition) - Land	120.34
Add: Addition during the year	-
Less: amortised during the year	7.72
Right-of-use assets as of April 1, 2024 - Land	112.62
Add: Addition during the year from Business Combination	262.47
Less: Sold during the year	-
Less: amortised during the year	9.55
Balance as at March 31, 2025	365.54

**ii. Lease liabilities**

Particulars	Amount in lakhs
Lease liabilities as of April 1, 2023 (date of transition)	89.14
Add : Interest on Lease liabilities	0.88
Less : Payment during the year	0.19
Lease liabilities as of April 1, 2024	89.83
Add: Addition during the year from Business Combination	34.32
Add : Interest on Lease liabilities	2.17
Less : Payment during the year	9.55
Balance as at March 31, 2025	96.78

**iii. Maturity analysis of lease liabilities**

Particulars	Amount in lakhs	
	Cash outflow undiscounted	
	March 31, 2025	March 31, 2024
a. Not later than one year	11.85	23.64
b. Later than one year and not later than five years	51.18	34.97
c. Later than five years	1,165.34	239.59
	1,228.37	298.10

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. 2.22 lakhs (Previous year Rs. 2.29 lakhs).



42 Employee benefits obligations:

**Defined contribution plans:**

Contribution to Defined Contribution Plan, recognised as an expense and included under "Employee Benefits Expenses" - Note 33 to the Statement of Profit and Loss are as under :

- Employer's contribution to Provident Fund Rs. 130.85 lakhs; (Previous year Rs. 91.37 lakhs )
- Employer's contribution to Employees State Insurance Scheme Rs. 10.73 lakhs; (Previous year Rs. 13.54 lakhs )
- Employer's contribution to Labour Welfare Fund Scheme Rs. 0.40 lakhs; (Previous year Rs. 0.27 lakhs )

**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 there of 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, 2025	March 31, 2024
I Components of defined benefit cost		
i Current service cost	39.70	25.88
ii Past service cost	-	-
iii Mortality charges and taxes	-	-
iv Interest cost on benefit obligation (net)	6.09	2.56
Total expense included in Statement of Profit and Loss (P&L)	45.79	28.45
v Actuarial loss/ (gain) arising from financial assumptions	11.82	6.06
vi Actuarial loss/ (gain) arising from experience adjustments	0.87	1.61
Total expense recognised in Other Comprehensive Income (OCI)	12.68	7.67
Total defined benefit cost recognised in P&L and OCI	58.47	36.12
II Actual contribution and benefits payments for the year		
i Actual contributions	41.16	14.91
ii Actual benefits payments	(2.41)	-
III Changes in present value of obligation during the year		
i Present value of defined benefit obligation as at the beginning of the year	248.72	216.47
Present value of defined benefit obligation as at 01st October 2024	185.17	-
ii Current service cost	39.70	25.88
iii Past service cost	-	-
iv Interest cost	23.48	15.02
v Benefits paid	(2.41)	(14.91)
vi Actuarial loss/ (gain) arising from financial assumptions	11.82	4.65
vi Actuarial loss/ (gain) arising from experience adjustments	-	1.61
vii Present value of defined benefit obligation as at the end of the year	506.48	248.72
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	187.78	169.92
Fair value of plan of assets as at 01st October 2024	90.57	-
ii Interest income	17.40	12.45
iii Actual company contribution	41.16	21.75
iv Mortality charges and taxes	-	-
v Benefits paid	(2.41)	(14.91)
vi Return on plan of assets (excluding interest income)	(0.87)	(1.43)
vii Fair value of plan of assets as at the end of the year	333.63	187.78
V Net asset/ (liability) recognised in the Balance Sheet		
i Present value of defined benefit obligation	(506.48)	(248.72)
ii Fair value of plan of assets	333.63	187.78
iii Net asset/ (liability) recognised in the Balance Sheet	(172.85)	(60.93)
VI Actuarial assumptions		
i Discount rate	6.10%	6.97%
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	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	47.52	19.85
ii	Year 2	34.95	27.35
iii	Year 3	30.48	23.12
iv	Year 4	17.85	10.40
v	Year 5	53.05	45.59
vi	Subsequent 5 years	127.30	64.37

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	402.41	228.41
1% decrease in discount rate	491.65	272.49
1% increase in salary increment rate	466.86	268.40
1% decrease in salary increment rate	405.05	230.89

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, 2025	March 31, 2024
<b>I Components of defined benefit cost</b>		
i Current service cost	44.72	41.21
ii Past service cost	(6.82)	(5.04)
iii Mortality charges and taxes	-	-
iv Interest cost on benefit obligation (net)	9.80	8.16
Total expense included in Statement of Profit and Loss (P&L)	47.69	44.34
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	47.69	44.34
<b>II Actual contribution and benefits payments for the year</b>		
i Actual contributions	-	-
ii Actual benefits payments	-	26.00
<b>III Changes in present value of obligation during the year</b>		
i Present value of defined benefit obligation as at the beginning of the year	144.97	126.63
Present value of defined benefit obligation as at 30th September 2024	110.60	
ii Current service cost	44.72	41.21
iii Past service cost	(6.82)	(5.04)
iv Interest cost	9.80	8.16
v Benefits paid	(16.74)	-
vi Actuarial loss/ (gain) arising from financial assumptions	-	-
vii Actuarial loss/ (gain) arising from experience adjustments	-	(28.00)
Present value of defined benefit obligation as at the end of the year	286.52	144.97



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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	16.74	-
iv	Mortality charges and taxes	-	-
v	Benefits paid	(16.74)	-
vi	Return on plan of assets (excluding interest income)	-	-
vii	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	(286.52)	(144.97)
ii	Fair value of plan of assets	-	-
iii	Net asset/ (liability) recognised in the Balance Sheet	(286.52)	(144.97)
VI	Actuarial assumptions		
i	Discount rate	6.61%	6.97%
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	43.64	17.71
ii	Year 2	29.64	12.43
iii	Year 3	22.10	18.22
iv	Year 4	39.37	11.67
v	Year 5	19.34	26.49
vi	Subsequent 5 years	117.52	50.20

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	267.24	135.35
	1% decrease in discount rate	308.71	156.00
	1% increase in salary increment rate	308.09	155.73
	1% decrease in salary increment rate	267.39	135.39

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.

**43 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 ( upto 06th June 2024 )
- ii) Holding Company  
Helios Strategic Systems Limited ( upto 06th June 2024 )
- iii) Subsidiaries / Associates  
Kineco Kaman Composites India Private Limited ( upto 30th September 2024 )  
Kineco Alte Train Technologies Private Limited  
Kineco Exel Composites India Private Limited  
Kineco Train Tech Private Limited  
M/s. Semvac A/S
- iv) Key Management Personnel  
Mr. Shekhar Sardesai - Chairman and Managing Director  
Mr. Vinay Jagtap - Executive Director  
Mr. Prashant Naik - Director  
Mr. Vivekanand Pauskar - Chief Financial Officer  
Mrs. Manisha Naik Shirgaonkar - Company Secretary  
Mr. Lalit Balmukund Agarwal - Director (from 01.10.2024)  
Mr. Pankaj Prasoon - Director (from 01.10.2024)  
Mr. Girish Desai - Director (from 03.10.2024)
- v) Enterprise in which significant influence is exercised by Key Management Personnel  
Gajanana Assets and Projects SPV LLP



**B Transactions with related parties:**

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

Particulars	Name of the Related Party	Rupees in lakhs	
		March 31, 2025	March 31, 2024
<b>1) Revenue</b>			
Sales of goods / services	Kineco Kaman Composite India Pvt Ltd	5.34	10.08
	Kineco Exel Composites India Private Limited	83.14	109.19
	M/s. Semvac A/S	46.37	-
Finance Cost	Kineco Exel Composites India Private Limited	5.29	10.61
	Kineco Train Tech Private Limited	4.54	-
<b>2) Expenses</b>			
Finance Cost	Shekhar Sardessai	26.24	4.46
	Helios Strategic systems Limited - Loan	13.81	103.07
	Helios Strategic systems Limited - Preference shares	16.29	96.00
Expenses reimbursed	Kineco Kaman Composite India Pvt Ltd	0.07	12.59
	Kineco Train Tech Private Limited	147.06	-
	Kineco Exel Composites India Private Limited	2.64	5.78
Purchase of Service	Kineco Kaman Composite India Pvt Ltd	0.12	-
	Kineco Exel Composites India Private Limited	27.19	11.22
	Kineco Train Tech Private Limited	8.13	-
Recovery of expenses	Kineco Kaman Composite India Pvt Ltd	-	26.18
	Kineco Exel Composites India Private Limited	24.74	25.46
Issue of Equity Shares at premium	Mr. Pankaj Prasoon	382.70	-
<b>3) Redemption of Preference shares</b>	Helios Strategic systems Limited	800.00	-
<b>4) Loans Taken / (Repaid)</b>	Helios Strategic systems Limited	(535.00)	-
<b>5) Loans Given / (Repaid)</b>	Kineco Exel Composites India Private Limited	(120.00)	80.00
<b>6) Purchase of Property, Plant &amp; Equipment</b>	Sale of Property, Plant & Equipment	0.63	-

Particulars	Name of the Related Party	Rupees in lakhs	
		March 31, 2025	March 31, 2024
<b>7) Outstanding receivable / (payable) as at the end of the period</b>			
	Kineco Kaman Composite India Pvt Ltd - Trade receivable	-	0.56
	Kineco Exel Composites India Private Limited - Trade Receivables	0.03	25.54
	- Unsecured Loan receivable	-	121.17
	Kineco Train Tech Private Limited - Trade Receivables	87.79	-
	M/s. Semvac A/S - Trade Receivables	46.37	-
	Helios Strategic systems Limited - Unsecured Loans	-	(540.32)
<b>8) Corporate guarantee from</b>	Indo National Limited	-	2,782.00

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

Remuneration to Key Management Personnel	Rupees in lakhs	
	March 31, 2025	March 31, 2024
Managerial remuneration paid to Shekhar Sardessai (Chairman & Managing Director)	125.91	34.50
Salaries and other employee benefits to whole-time directors and executive officers	187.79	146.65
	<b>313.70</b>	<b>181.15</b>
<b>Outstanding receivable / (payable)</b>		
Shekhar Sardessai (Chairman & Managing Director)		
- Loan	(503.44)	-
- Others	(10.56)	(2.46)
	<b>(514.00)</b>	<b>(2.46)</b>



- 44 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 407.02 lakhs)

## 45 Earnings per share:

Particulars	March 31, 2025	March 31, 2024
Profit for the year (Rupees in lakhs)	725.96	218.31
Weighted average number of equity shares	7,033,529	6,264,183
Nominal value of each equity shares	10.00	10.00
Basic and diluted earnings per share (in Rupees)	10.32	3.49

## 46 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, 2025		As at March 31, 2024	
	Rupees in lakhs	Foreign currency in lakhs	Rupees in lakhs	Foreign currency in lakhs
Trade receivables and advances to suppliers				
- USD	1,528.89	17.89	70.57	0.85
- Euro	46.37	0.50	-	-
Advances to suppliers				
- USD	8.09	0.36	-	-
Cash and Bank balances				
- USD	123.36	1.44	-	-
- Euro	0.06	0.00	-	-
- GBP	0.68	0.01	-	-

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Rupees in lakhs	Foreign currency in lakhs	Rupees in lakhs	Foreign currency in lakhs
Trade payables and other current liabilities				
- EUR	117.43	1.27	5.19	0.06
- USD	152.60	1.79	6.56	0.08
- GBP	1.55	0.01	1.75	0.02
Other current liabilities				
- USD	382.15	4.58	-	-
Other non-current liabilities				
- USD	937.90	11.29	-	-
Foreign currency loans including interest there on				
- USD	878.51	10.28	-	-

## 47 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, 2025	-	16.62	-	-	Not Applicable	Donation for promoting education and culture

\* on account of merger, the requirement of CSR is not applicable considering the losses in the merged entity.



- 48 The monthly/quarterly statements of current assets, filed by the Company with banks, which have been given as security against the borrowings from bank are in agreement with the books of accounts.
- 49 **Other disclosures**
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - The Company 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.
  - The Company has utilised funds raised from borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
  - The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company 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
  - The Company 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:
    - 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 to or on behalf of the Ultimate Beneficiaries
  - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.
  - The Company does not have any transactions with struck-off companies.
  - The Company 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).
  - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - The Company 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.
  - The Company 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.
  - The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.

50 **Development of Composite Technology, Products and Process Know-How:**

**(i) Development of Composite Filament Winding Technology, products and process know-how**

The 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 expensed 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 company has completed R&D project for Development of composite sky bus coaches for Konkan 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 Konkan Railway Corporation is getting delayed due to decision of Konkan 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 8 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 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 company has incurred capital expenditure for Research and development of composites Sonar Dome for ships through R&DE(E),BEL at an aggregate cost of Rs.99.46 lacs. The company has received commercial order from R&DE(E), 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 Defence, 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 MDL/INDIAN ARMED FORCES/BEL in consultation with DRDO. As per the TOT the licence 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 IR/RDSO 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 Train18, Tejas, Metro Rail and Private Train Builders.



**(vii) The Development of Reduced Mobility Toilet System for Indian railway and overseas buyers**

The Company has inhouse facilities and expertise in development of rail coach interiors. The Company has successfully design and developed world class interiors for Indian railways over a period of time. The Company pleased to announce that the research and development of the world class Mobility Toilet System design specifically for railway applications has been successfully completed. The prototype has passed the validation as per Indian railway norms. The expenditure of Rs.94.72 lakhs incurred on this R&D project qualifies to be recognised as an intangible asset, since it has resulted in a commercially viable product with potential for large scale deployment and long term benefits. The expenditure incurred on this R&D shall be amortised over a period of 10 years or as per Company's R&D capitalisation policy/applicable accounting standards

**(viii) Non Compete Fee**

The company has incurred capital expenditure for Non Compete fee at an aggregate cost of Rs. 1,800.00 lakhs to protect its business interest and ensure unhindered business continuity by ensuring the limitation of use of various confidential and proprietary reports / data, sensitive information, trade secrets, strategies, customer / suppliers contacts, technical information, intellectual property and costing and pricing information, not otherwise available in public domain.

**51 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, 2024 16,21,787 ) fully paid up Equity shares of Rs. 10/- each
2. Kineco Kaman Composites - India Private Limited - The scheme of merger with Kineco Limited with appointed date 01/10/2024 was approved vide order of the Regional Director (WR) dated 09/05/2025 ( as at March 31, 2024 58,73,350 fully paid up Equity shares of Rs. 10/- each)
3. Kineco Exel Composites India Pvt. Ltd wherein company holds 1,06,550 ( as at March 31, 2024 82,660) fully paid up Equity shares of Rs. 100/- each
4. Kineco Train Tech Private Limited wherein company holds 15,00,000 ( as at March 31, 2024 Nil ) fully paid up Equity shares of Rs. 10/- each.

**52 Business Combination**

**Scheme of Merger with Kineco Kaman Composites - India Private Limited**

In the year 2012, Kineco had formed a joint venture with Kaman Aerospace Group (subsidiary of Kaman Corporation, USA) called "Kineco Kaman Composites - India Private Limited", and was holding 51% stake. In September 2024, the Company completed the total acquisition of the Kineco Kaman Composites - India Private Limited by acquiring the balance 49% from Kaman Aerospace Group Inc.

Thereafter, the shareholders in their meeting held on 10th March 2025 approved the scheme of merger between Kineco Kaman Composites India Pvt Ltd with Kineco Limited. The scheme of merger of Kineco Kaman Composites - India Private Limited with Kineco Limited with appointed date 1st October 2024, was approved vide order of the Regional Director (WR) dated 9th May 2025. Accordingly, the financial statements of Kineco Limited as on 31st March 2025 are presented giving effect to the merger with effect from 1st October 2024, in compliance with the said order.

**Purchase consideration transferred:**

	Rupees in lakhs
Upront cash consideration	3,361.55
Deferred contingent consideration	NIL
	3,361.55

**Assets acquired and liabilities assumed:**

The values of identifiable assets acquired and liabilities assumed as at the date of merger were :

	Rupees in lakhs
Non current Assets	4,439.37
Current Assets	7,187.19
Less: Non current Liabilities assumed	(1,134.94)
Less: Current Liabilities assumed	(5,694.70)
<b>Total Net Assets</b>	<b>4,796.92</b>

**Recognition of Goodwill / Capital Reserve**

Business combinations arising from transfers of interests in entities that are under common control are accounted using pooling of interest method. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in equity. Capital Reserve of Rs 2,797.24 lakhs has been directly recognised in Other Equity in the financial statements.

**Impact of acquisition on the results**

The scheme of merger contributed revenues of Rs 5,580.71 and profit (before tax) of Rs 1,107.71 lakhs to the Standalone results of the Company for the year ended 31st March, 2025.



53 Details of Ratios are as under:

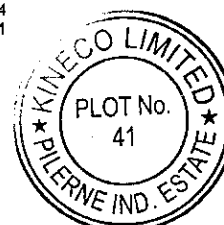
Ratios	2024-25	2023-24	% Variance	Reason for variance
i) Current Ratio	1.15	0.96	19%	
ii) Debt Service Coverage ratio	1.01	0.74	35%	Significant improvement in cash profit in FY 2024-25 compared to FY 2023-24 due to Business Combination effective October 2024
iii) Inventory Turnover Ratio	2.73	3.50	-22%	
iv) Trade Payable Turnover Ratio	1.72	1.91	-10%	
v) Net Profit Ratio	0.04	0.02	132%	Company achieved positive net profit in 2024-25 due to higher gross margin and overall financial performance and impact of Business Combination effective October 2024
vi) Return on Investment	0.03	0.01	89%	Company achieved positive net profit in 2024-25 due to higher gross margin and overall financial performance and impact of Business Combination effective October 2024
vii) Debt-Equity Ratio	0.70	6.98	-90%	Debt is reduced using cash generated from business and increase in equity from infusion and due to positive financial result from Business Combination effective October 2024
viii) Trade Receivables Turnover Ratio	2.19	1.59	37%	Due to increase in revenue
ix) Net Capital Turnover Ratio	8.43	(31.60)	-127%	Reduction in net working capital is achieved while turnover has improved
x) Return on Capital Employed	0.06	0.05	13%	

Note

- a Explanation is provided for any change in the ratio by more than 25% as compared to the preceding year.  
 b Refer note 56 regarding accounting of Business Combination w.e.f. 01/10/2024 and comparables.

Note

	2024-25	2023-24
i Current Assets (A)	15,973.27	10,739.00
Current Liabilities (B)	13,890.95	11,134.11
<b>Current Ratio (A/B)</b>	<b>1.15</b>	<b>0.96</b>
ii Earnings before Interest, Depreciation, and Tax (C)	3,166.85	2,021.14
Interest Expense (D)	745.02	1,045.16
Principal Repayments made during the period for long term loans and lease payments (E)	2,397.71	1,672.22
<b>Debt Service Coverage ratio (C/(D+E))</b>	<b>1.01</b>	<b>0.74</b>
iii Cost of Goods Sold (Cost of materials consumed + Changes in inventories of finished goods and work in progress) (F)	8,244.47	6,546.36
Average Inventories (G)	3,020.39	1,869.70
<b>Inventory Turnover Ratio (F/G)</b>	<b>2.73</b>	<b>3.50</b>
iv Purchases of Stock-in-Trade + Other Expenses (H)	7,520.92	6,663.32
Average Trade Payables (I)	4,372.49	3,490.65
<b>Trade Payable Turnover Ratio (H/I)</b>	<b>1.72</b>	<b>1.91</b>
v Profit After Tax (J)	737.23	225.51
Revenue from Operations (K)	17,563.39	12,484.14
<b>Net Profit Ratio (J/K)</b>	<b>0.04</b>	<b>0.02</b>
vi Net profit	725.96	218.31
Total Assets	27,568.32	15,629.14
<b>Return on Investment (L/M)</b>	<b>0.03</b>	<b>0.01</b>



vii	Total Debt (N)	8,085.40	10,157.07
	Total Equity (O)	11,547.38	1,455.90
	<b>Debt-Equity Ratio (N/O)</b>	<b>0.70</b>	<b>6.98</b>
viii	Revenue from Operations (P)	17,563.39	12,484.14
	Average Trade Receivables (Q)	8,021.89	7,835.81
	<b>Trade Receivables Turnover Ratio (P/Q)</b>	<b>2.19</b>	<b>1.59</b>
ix	Revenue from Operations (R)	17,563.39	12,484.14
	Average Working Capital (S)	2,082.32	(395.11)
	<b>Net Capital Turnover Ratio (R/S)</b>	<b>8.43</b>	<b>(31.60)</b>
x	Net Profit After Tax (T)	737.23	218.31
	Average capital employed (U)	12,683.39	4,260.56
	<b>Return on Capital Employed (T/U)</b>	<b>0.06</b>	<b>0.05</b>

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	= $\frac{\text{Average Capital Employed}}{\text{Net Profit After Tax}}$

- 54 With regard to the Supreme Court ruling on the applicability of provident fund on all fixed allowances payable to employees, the Company has complied with the said ruling prospectively. With respect to the shortfall in the employer contribution and employee deductions respectively for period prior to the ruling, 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 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 Investment in subsidiary Kineco Kaman Composites- India Pvt Ltd was originally accounted for, under the acquisition method in accordance with Ind AS 110. Prior to the merger, the Company acquired the Non Controlling Interest in the subsidiary resulting in the subsidiary becoming wholly owned at the time of the merger. Being a common control business combination, Ind AS 103 - Business Combinations requires the transferee Company to account for the business combination from the earliest comparative period. As per the Scheme of Merger, the accounting treatment in the financial statements of the Company has been given effect from the appointed date October 01, 2024, which in compliance with order of the Regional Director (WR) dated May 09, 2025 approving the scheme. The comparative amounts for the previous year have been accordingly presented.

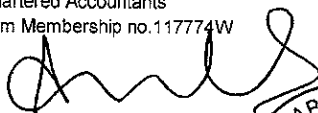


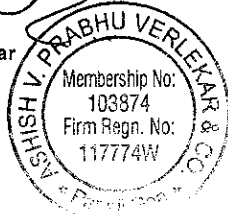
Kineco Limited  
41 - Pilerne Industrial Estate, Pilerne, Bardez - Goa - 403511  
Notes forming part of the financial statements as at and for the year ended March 31, 2025

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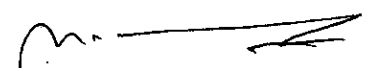
57 Previous year figures have been regrouped and/or rearranged, wherever considered necessary to make their classification comparable with that of the current year.

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 : 30-06-2025



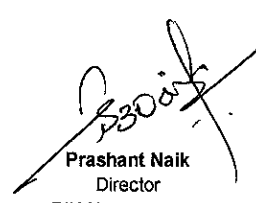
For and on behalf of the Board of Directors of  
Kineco Limited.,

  
Shekhar Sardesai  
Chairman & Managing Director  
DIN No. 00016446

  
Vivekanand Pauskar  
Chief Financial Officer

Place: Pilerne - Goa  
Date : 30-06-2025



  
Prashant Naik  
Director  
DIN No. 01866113

  
Manisha Naik Shirgaonkar  
Company Secretary  
M. No. A34734