

Kinam Engineering Industries

Balance Sheet as at 31st March , 2024

(Amount in ₹)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I EQUITY AND LIABILITIES			
1 Owner's fund			
Partner's fixed capital	2	-	19,40,00,000
Partner's current capital	2	-	-
		<u>-</u>	<u>19,40,00,000</u>
2 Non-Current Liabilities			
(c) Long-term provisions	5(A)	-	27,85,036
		<u>-</u>	<u>27,85,036</u>
3 Current Liabilities			
(a) Short-term borrowings	3	-	18,08,89,249
(b) Trade payables	6		
Total outstanding dues of micro, small and medium enterprises			7,03,46,737
Total outstanding dues of creditors other than micro, small and medium enterprises		8,05,94,586	6,97,09,800
(c) Other current liabilities	4	-	8,81,26,049
(d) Short-term provisions	5(B)	-	4,00,000
		<u>8,05,94,586</u>	<u>40,94,71,835</u>
Total		<u>8,05,94,586</u>	<u>60,62,56,871</u>
II ASSETS			
1 Non Current Assets			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment	7A	-	7,76,70,272
(ii) Intangible assets	7B	-	30,00,000
(d) Other non-current assets	9A	-	1,29,68,294
		<u>-</u>	<u>9,36,38,566</u>
2) Current Assets			
(a) Inventories	10	-	21,51,20,000
(b) Trade receivables	11	7,03,53,405	21,59,94,045
(c) Cash and cash equivalents	12	-	3,08,37,819
(d) Short-term loans and advances	8	-	4,52,01,183
(e) Other current assets	9B	1,02,41,181	54,65,258
		<u>8,05,94,586</u>	<u>51,26,18,305</u>
Total		<u>8,05,94,586</u>	<u>60,62,56,871</u>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For M M Nissim & Co LLP
Chartered Accountants
Firm Reg. No. 107122W/W100672

For and on behalf of
Kinam Engineering Industries



Hiren P. Muni
Partner
Membership No. 142067
Place: Mumbai
Date: 5th October 2024





Kirit N Mehta
Partner

Place: Mumbai
Date: 5th October 2024



Mehul K Mehta
Partner

Place: Mumbai
Date: 5th October 2024



Kinam Engineering Industries

Statement of Profit and Loss for the year ended 31st March, 2024

(Amount in ₹)			
Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I) Revenue from operations	13	1,12,65,21,395	1,22,07,42,339
II) Other income	14	21,98,709	64,12,526
III) TOTAL INCOME (I+II)		1,12,87,20,104	1,22,71,54,865
IV) EXPENSES			
a) Cost of materials consumed	15	80,16,64,879	70,05,89,930
b) Changes in inventories of finished goods and work-in-progress	16	(10,88,48,266)	(2,08,75,502)
c) Employee benefits expense	17	8,49,65,644	8,45,68,700
d) Finance costs	18	3,08,34,972	3,03,62,887
e) Depreciation and amortisation expense	19	1,01,42,826	1,13,60,165
f) Other expenses	20	14,30,60,513	16,25,82,757
TOTAL EXPENSES (a to f)		96,18,20,566	96,85,88,937
V) Profit before exceptional and extraordinary items, partners' remuneration and tax (III-IV)		16,68,99,538	25,85,65,928
VI) Exceptional Items		-	-
VII) Profit before extraordinary items, partners' remuneration and tax (V - VI)		16,68,99,538	25,85,65,928
VIII) Extraordinary Items		-	-
IX) Profit before partners' remuneration and tax (VII- VIII)		16,68,99,538	25,85,65,928
X) Partners' remuneration		75,00,000	1,00,00,000
XI) PROFIT BEFORE TAX (IX-X)		15,93,99,538	24,85,65,928
XII) TAX EXPENSE			
a) Current tax		5,57,61,748	-
b) Deferred tax		(25,93,673)	-
TOTAL TAX EXPENSE (a+b)		5,31,68,075	-
XIII) PROFIT FOR THE YEAR (III-IV)		10,62,31,463	24,85,65,928

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For M M Nissim & Co LLP
Chartered Accountants
Firm Reg. No. 107122W/W100672



Hiren P. Muni
Partner
Membership No. 142067
Place: Mumbai
Date: 5th October 2024



For and on behalf of
Kinam Engineering Industries



Kirit N Mehta
Partner

Place: Mumbai
Date: 5th October 2024



Mehul K Mehta
Partner

Place: Mumbai
Date: 5th October 2024



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Note 1 - Significant Accounting Policies

A Corporate Information

Kinam Engineering Industries is a Partnership Firm registered with Registrar of Firms with its Registered Office situated at 209, 2nd Floor, Champaklal Industrial Estate, Sion Road No.29, Sion, Sion S.O, Mumbai, MUMBAI, Maharashtra, 400 022, India.

The Firm is carrying out the business of providing efficient and reliable heat exchanger solutions to customers across various industries.

Firm is registered with registrar of firms vide registration number B-162480

B Basis of preparation

These financial statements of the firm have been prepared and presented under historical cost convention, on the accrual basis of accounting and the accounting policies used are in line with group policies. The financials are prepared as per Indian Accounting Standards to the extent applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

C Summary of significant accounting policies

i Use of estimates

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

ii Property, plant and equipment

PPE are stated at WDV. The cost includes expenditures incurred in the acquisition and construction/installation and other related expenses in bringing the asset to its working condition for its intended use. In respect of qualifying assets, related pre-operational expenses including borrowing costs are also capitalized.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefit from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing PPE, including day-to-day repair and maintenance expenditure, cost of replacing parts are charged to statement of profit and loss for the period during which such expense was incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Machinery parts which can be used only in connection with an item of PPE and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

iii Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rents under operating leases are recognised in the statement of profit and loss on a straight-line basis.



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Note 1 - Significant Accounting Policies

iv Borrowing cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

v Impairment of fixed assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vii Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Note 1 - Significant Accounting Policies

viii Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the firm and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from sale of goods

Revenue from sale of goods is recognized when all the control of the goods have been passed to the buyer, usually on delivery of the goods. The firm collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the firm. Hence, they are excluded from revenue.

Income from services

Revenues from contracts are recognized pro-rata over the period of the contract as and when services are rendered. Revenue from turnkey contracts which are time bound, are recognised over the life of the contract using percentage of completion method. Foreseeable loss on such contracts are recognised when probable.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Other income is accounted on accrual basis.

ix Foreign currency translation

Foreign currency transactions and balances

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency INR. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions.

(b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(c) Exchange differences

The firm accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income / expense in the period in which they arise.

(d) Forward exchange contract

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are mark-to-market and the gains or losses thereon are recognised in the Statement of Profit and Loss.



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Note 1 - Significant Accounting Policies

x Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 ('IT Act') and the rates prescribed therein at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the firm has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

xi Segment reporting

Identification of segments

The firm's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the firm operate.

Inter-segment transfers

The firm generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The firm prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the firm as a whole.

xii Provisions and Contingent liabilities

A provision is recognized when the firm has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the firm or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The firm does not recognize a contingent liability but discloses its existence in the financial statements.



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Note 1 - Significant Accounting Policies

xiii Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xiv Research and Development

Capital expenditure on research and development is treated in the same manner as Property, Plant and Equipment. Research costs are expensed as incurred. Development expenditure incurred is carried forward when its future recoverability can reasonably be regarded as assured.

xv Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

xvi Retirement Benefits:

Short Term Benefit:

Short term Employee Benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services is rendered.

Post Employment benefits and other long term employee benefits:

The Firm contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, all of which are administered by the Regional Provident Fund Authorities and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

The liability for the defined benefit plan of Gratuity is determined based on an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses, which comprise experience adjustment and the effect of changes in actuarial assumptions, are recognized in Statement of Profit and Loss.



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

2 Owner's Capital

(Amount in ₹)

Partners	As at 31st March 2024			As at 31st March 2023		
	Share in Profit	Partner's Fixed capital	Partner's current capital	Share in Profit	Partner's Fixed capital	Partner's current capital
M/s HLE Glascoat Ltd	35.56%	-	-		-	-
M/s Kinam Process Equipments Pvt. Ltd.	34.44%	-	-		-	-
Mr. Kirit N. Mehta	10.00%	-	-	50.00%	9,70,00,000	-
Mr. Mehul K. Mehta	20.00%	-	-	50.00%	9,70,00,000	-
Total	100.00%	-	-	100.00%	19,40,00,000	-

M/s HLE Glascoat Ltd

Particulars	Amount	Particulars	Amount
Withdrawal of capital	-	Opening balance	-
Elimination against Shares on business succession	6,89,86,400	Capital Received from Partner	6,89,86,400
Closing balance	-		
	<u>6,89,86,400</u>		<u>6,89,86,400</u>

M/s Kinam Process Equipments Pvt. Ltd.

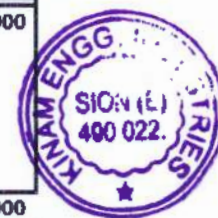
Particulars	Amount	Particulars	Amount
Withdrawal of capital	-	Opening balance	-
Elimination against Shares on business succession	6,68,13,600	Capital introduced	6,68,13,600
Closing balance	-		
	<u>6,68,13,600</u>		<u>6,68,13,600</u>

Mr. Kirit N. Mehta

Particulars	Amount	Particulars	Amount
Capital transfer to Partner	4,41,93,200	Opening balance	9,70,00,000
Withdrawal of capital	3,34,06,800		
Elimination against Shares on business succession	1,94,00,000		
Closing balance	-		
	<u>9,70,00,000</u>		<u>9,70,00,000</u>

Mr. Mehul K. Mehta

Particulars	Amount	Particulars	Amount
Capital transfer to Partner	2,47,93,200	Opening balance	9,70,00,000
Withdrawal of capital	3,34,06,800		
Elimination against Shares on business succession	3,88,00,000		
Closing balance	-		
	<u>9,70,00,000</u>		<u>9,70,00,000</u>



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

M/s HLE Glascoat Ltd

(Amount in ₹)

Particulars	Amount	Particulars	Amount
Withdrawal of capital	-	Opening balance	-
Elimination against Shares on business succession	2,31,73,702	Interest on capital	22,00,004
Closing balance	-	Share of profit	2,09,73,698
	<u>2,31,73,702</u>		<u>2,31,73,702</u>

M/s Kinam Process Equipments Pvt. Ltd.

Particulars	Amount	Particulars	Amount
Withdrawal of capital	-	Opening balance	-
Elimination against Shares on business succession	2,58,25,007	Interest on capital	27,45,765
Closing balance	-	Share of profit	2,30,79,242
	<u>2,58,25,007</u>		<u>2,58,25,007</u>

Mr. Kirit N. Mehta

Particulars	Amount	Particulars	Amount
Withdrawal of capital	49,86,000	Opening balance	-
Elimination against Shares on business succession	2,87,90,386	Interest on capital	56,36,183
Closing balance	-	Share of profit	2,81,40,203
	<u>3,37,76,386</u>		<u>3,37,76,386</u>

Mr. Mehul K. Mehta

Particulars	Amount	Particulars	Amount
Withdrawal of capital	49,86,000	Opening balance	-
Elimination against Shares on business succession	3,53,07,175	Interest on capital	62,54,857
Closing balance	-	Share of profit	3,40,38,318
	<u>4,02,93,175</u>		<u>4,02,93,175</u>



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

3 Borrowings (Amount in ₹)

Particulars	As at 31st March 2024	As at 31st March 2023
Short-term borrowings		
Secured		
From banks	-	7,79,13,641
Unsecured		
Loan from partner	-	10,29,75,608
Total	-	18,08,89,249

4 Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Current liabilities		
Advance from customers	-	5,48,42,747
Statutory dues payable	-	1,96,52,531
Employee related payable	-	1,03,29,730
Liabilities for expenses	-	33,01,041
Total	-	8,81,26,049

5 Provisions (Amount in ₹)

Particulars	As at 31st March 2024	As at 31st March 2023
Long-term		
Provision for gratuity	-	11,13,719
Provision for leave encashment	-	16,71,317
Sub-Total (A)	-	27,85,036
Short-term		
Provision for unexpired warranty	-	4,00,000
Sub-Total (B)	-	4,00,000
Total (A+B)	-	31,85,036

6 Trade payables

Particulars	As at 31st March 2024	As at 31st March 2023
Outstanding due of micro and small enterprises	-	7,03,46,737
Outstanding due of creditors other than micro and small enterprises	8,05,94,586	6,97,09,800
Total	8,05,94,586	14,00,56,537



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

7(A) Property, Plant and Equipment

(Amount in ₹)

Particulars /Assets	TANGIBLE ASSETS							Total
	Freehold land	Buildings	Plant and Equipment	Office equipment	Furniture & Fixtures	Vehicles	Computers	
Gross Block								
At 1 April 2022	-	-	2,86,91,465	9,50,621	52,67,483	96,61,439	27,82,493	4,73,53,501
Additions			2,99,69,729	8,79,935	92,41,755	7,41,604	15,05,589	4,23,38,612
Deductions / Adjustments			-	-	-	-	-	-
At 1 April 2023			5,86,61,194	18,30,556	1,45,09,238	1,04,03,043	42,88,082	8,96,92,113
Additions			51,98,258	3,17,539	42,54,198	15,05,972	21,87,899	1,34,63,866
Deductions / Adjustments			6,38,59,452	21,48,095	1,87,63,436	1,19,09,015	64,75,981	10,31,55,979
At 31 March 2023			5,86,61,194	18,30,556	1,45,09,238	1,04,03,043	42,88,082	8,96,92,113
At 31 March 2024			-	-	-	-	-	-
Depreciation / Adjustments								
At 1 April 2022			-	-	-	-	-	-
Additions			75,75,432	1,87,348	9,93,995	17,46,975	15,18,092	1,20,21,842
Deductions / Adjustments			-	-	-	-	-	-
At 1 April 2023			75,75,432	1,87,348	9,93,995	17,46,975	15,18,092	1,20,21,842
Additions			62,16,595	1,78,457	11,91,936	11,44,863	14,28,368	1,01,60,219
Deductions / Adjustments			1,37,92,027	3,65,805	21,85,931	28,91,838	29,46,460	2,21,82,061
At 31 March 2023			75,75,432	1,87,348	9,93,995	17,46,975	15,18,092	1,20,21,842
At 31 March 2024			-	-	-	-	-	-
Net Block								
At 31 March 2023			5,10,85,762	16,43,208	1,35,15,243	86,56,068	27,69,990	7,76,70,271
At 31 March 2024			-	-	-	-	-	-

7(B) Intangible Assets (owned assets)

Particulars /Assets	Intangible Assets					Total
	Goodwill	Brands / trade marks	Customer Network and Relationship	Technical Knowledge and Know-How	Others	
Gross Block						
At 1 April 2022	-	-	-	-	-	-
Additions		10,00,000	10,00,000	10,00,000	-	30,00,000
Deductions / Adjustments		-	-	-	-	-
At 1 April 2023	-	10,00,000	10,00,000	10,00,000	-	30,00,000
Additions		-	-	-	-	-
Deductions / Adjustments		10,00,000	10,00,000	10,00,000	-	30,00,000
At 31 March 2023		10,00,000	10,00,000	10,00,000		30,00,000
At 31 December 2023		-	-	-	-	-
Amortization / Adjustments						
At 1 April 2022	-	-	-	-	-	-
Additions		-	-	-	-	-
Deductions / Adjustments		-	-	-	-	-
At 1 April 2023	-	-	-	-	-	-
Additions		-	-	-	-	-
Deductions / Adjustments		-	-	-	-	-
At 31 March 2023						
At 31 December 2023		-	-	-	-	-
Net Block						
At 31 March 2023			10,00,000	10,00,000	-	30,00,000
At 31 December 2023			-	-	-	-



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

8 Loans and advances (Amount in ₹)

Particulars	As at 31st March 2024	As at 31st March 2023
Short-term loans and advances		
Advance to suppliers	-	4,52,01,183
Loan to employees		
Duty drawback receivable		
Export benefit receivable		
Total	-	4,52,01,183

9 Other current assets

Particulars	As at 31st March 2024	As at 31st March 2023
Non-current assets		
Security deposit	-	1,29,68,294
Sub-Total (A)	-	1,29,68,294
Current assets		
Interest accrued	-	3,78,272
Other	-	9,61,205
Prepaid expenses	-	14,27,426
GST refund receivable	1,02,41,181	21,88,800
Balances with statutory/ government authorities	-	5,09,555
Sub-Total (B)	1,02,41,181	54,65,258
Total (A+B)	1,02,41,181	1,84,33,552

10 Inventories (Amount in ₹)

Particulars	As at 31st March 2024	As at 31st March 2023
Raw materials	-	9,79,00,498
Work-in-progress	-	11,65,93,502
Finished goods	-	6,26,000
Stock-in-trade		
Others		
Total	-	21,51,20,000



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

11 Trade receivables

Particulars	As at	
	31st March 2024	31st March 2023
Outstanding for a period exceeding six months		
Unsecured, considered good	7,03,53,405	21,59,94,045
Total (A)	7,03,53,405	21,59,94,045
Outstanding for a period less than six months		
Unsecured, considered good	-	-
Total (B)	-	-
Total (A+B)	7,03,53,405	21,59,94,045

12 Cash and bank balances

Particulars	As at	
	31st March 2024	31st March 2023
Cash and cash equivalents		
Cash on hand	-	4,01,420
Balance with banks	-	-
Total (A)	-	4,01,420
Other bank balance		
Fixed deposits	-	3,04,36,399
Total (B)	-	3,04,36,399
Total	-	3,08,37,819



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

13 Revenue from operations		(Amount in ₹)	
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Revenue from operations			
Sale of goods	1,12,31,58,257	1,22,07,42,339	
Other operating revenues:			
- Scrap sales	33,63,138	-	
Total	1,12,65,21,395	1,22,07,42,339	

14 Other income			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Interest income	11,31,497	12,48,516	
Export incentives	3,61,815	19,55,947	
Cessation of liability	24,745	-	
Net gain on foreign currency transaction	-	32,08,063	
Miscellaneous income	6,80,652	-	
Total	21,98,709	64,12,526	

15 Cost of materials consumed			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Opening stock of raw materials	9,79,00,498	-	
Purchases during the year	91,12,27,821	79,84,90,428	
Closing stock of raw materials	(20,74,63,440)	(9,79,00,498)	
Total	80,16,64,879	70,05,89,930	

16 Changes In inventories of finished goods and work-in-progress		(Amount in ₹)	
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Opening stock:			
Finished goods	18,26,000	18,26,000	
Work-in-progress	11,53,93,502	9,45,18,000	
Total	11,72,19,502	9,63,44,000	
Less: Closing stock:			
Finished goods	1,97,02,482	6,26,000	
Work-in-progress	20,63,65,286	11,65,93,502	
	22,60,67,768	11,72,19,502	
Total	(10,88,48,266)	(2,08,75,502)	



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

17 Employee benefits expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and wages	7,59,01,254	7,38,18,775
Contribution to provident, gratuity and other funds	42,18,535	55,17,738
Staff welfare expenses	48,45,855	52,32,187
Total	8,49,65,644	8,45,68,700

18 Finance costs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest on working capital facilities	40,34,855	5,74,839
Partner's capital	1,68,36,809	2,28,00,758
Loan Processing Charges	15,97,023	6,90,670
Interest on others	4,236	-
Interest on unsecured loan	83,62,049	62,96,620
Total	3,08,34,972	3,03,62,887

19 Depreciation and amortisation expense

(Amount in ₹)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation of property, plant and equipment	1,01,42,826	1,13,60,165
Total	1,01,42,826	1,13,60,165

20 Other expenses

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Power and fuel	61,95,538	57,30,561
Processing expenses	5,47,00,088	5,65,47,670
Rent	2,29,51,244	2,28,47,517
Rates and taxes	2,06,095	7,83,904
Insurance expenses	4,03,900	5,17,578
Printing and stationery	7,00,754	8,59,892
Repairs and renewals:		
Buildings	8,76,679	17,94,202
Plant and machinery	20,18,598	22,80,942
Other assets	15,98,277	17,50,394
Travelling and conveyance	37,62,482	39,60,140



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

Communication expenses	3,33,457	5,17,546
Vehicle expenses	1,26,627	1,58,107
Sales promotion expenses	53,69,041	85,52,005
Bad debts written-off	2,000	-
Donation	-	25,000
Packing expenses	-	23,75,251
Security expenses	6,51,687	11,96,242
Commission	4,56,027	51,97,811
Net loss on foreign currency transaction	1,00,691	-
Freight and forwarding (Net)	1,59,37,444	2,48,94,065
Partners' remuneration	75,00,000	1,00,00,000
Bank charges	27,51,754	30,96,486
Auditor's remuneration	4,50,000	2,50,000
Legal and professional fees	1,61,17,166	65,66,226
Warranty expense	-	4,00,000
Miscellaneous expenses	73,50,964	1,22,81,218
Total	15,05,60,513	17,25,82,757



Kinam Engineering Industries
Notes to Financial Statement for the Period ended 31st March, 2024

21 Related party disclosures

a) Names of related parties and description of their relationship:

Description of related party	Name of related party	Description of Relationship
Related parties	HLE Glascoat Ltd	Partner
	Kinam Process Equipments Pvt. Ltd.	Partner
	Kirit N. Mehta	Partner
	Mehul K. Mehta	Partner
	Yashashvi Rasayan Pvt Ltd	Significant Influence
	Yash Specialities Chemical LLP	Significant Influence

b) Summary of transactions with above related parties are as follows:

(Amount in ₹)

Nature of transactions	As at 31st March 2024	As at 31st March 2023
Transactions during the year		
Interest on Partners Capital		
HLE Glascoat Ltd	22,00,004	
Kinam Process Equipments Pvt. Ltd.	27,45,765	
Kirit N. Mehta	56,36,183	1,19,85,941
Mehul K. Mehta	62,54,857	1,08,14,817
Share of Profit		
HLE Glascoat Ltd	2,09,73,698	
Kinam Process Equipments Pvt. Ltd.	2,30,79,242	
Kirit N. Mehta	2,81,40,203	12,42,82,964
Mehul K. Mehta	3,40,38,318	12,42,82,964
Partners Remuneration		
Kirit N. Mehta	37,50,000	50,00,000
Mehul K. Mehta	37,50,000	50,00,000

22 Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises defined in note-6 ' to the extent information available with the Partnership firm are given under:

(Amount in ₹)

Particulars	As at 31st March 2024	As at 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier at end of each accounting year:		
- principal	-	7,03,46,737.00
- interest		
The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006:		
- interest	-	-
- principal	-	-



Kinam Engineering Industries

Notes to Financial Statement for the Period ended 31st March, 2024

<p>The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.</p> <p>The amount of Interest accrued and remaining unpaid at the end of each accounting year</p> <p>The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006</p>	<p>-</p> <p>-</p> <p>-</p>
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Dues to MSME has been determined to the extent such parties have been identified on the basis of information certified by the partners. This has been relied upon by the auditors

23 The Kinam Engineering Industries Private Limited was incorporated on 9th October 2023 for succession of the Business of Kinam Engineering Industries (a partnership firm). A Business Succession Agreement and a Shareholders Agreement was executed on 10th January 2024 to be effective from 1st January, 2024 between Kinam Engineering Industries, its partners and the Company for the business succession and functioning of the Company. On the Business Succession date all the assets were transferred to the Company at cost and subsequently a purchase price allocation was carried out which resulted into an increase in value of tangible assets by an amount { 251 lakhs, intangible assets by an amount of { 15,195 lakhs respectively and also goodwill amounting to { 3,983.04 lakhs is also recognised. These intangible assets are considered to have infinite useful life and will be subject to impairment testing periodically.

24 In the opinion of the partners:

a) The current Assets, loans & advances are approximately of the value stated, if realised in the ordinary course of the business

b) The provisions for all known liabilities are adequate & not in excess of the amount reasonably necessary.

25 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date attached
For M M Nissim & Co LLP
 Chartered Accountants
 Firm Reg. No. 107122W/W100672

For and on behalf of
Kinam Engineering Industries



Hiren P. Muni
 Partner
 Membership No. 142067
 Place: Mumbai
 Date: 5th October 2024





Jirrit N Mehta
 Partner

Place: Mumbai
 Date: 5th October 2024



Mehul K Mehta
 Partner

Place: Mumbai
 Date: 5th October 2024

