

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors,
Kinam Enterprise Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

1. We have audited the Special purpose financial statements of **Kinam Enterprise Private Limited** ("the Company"), which comprise the Balance sheet as 31st December 2023 and the Statement of Profit and Loss, for the period 26th June 2023 to 31st December 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including specified under section 133 of the Companies Act, 2013 ("the Act"), of the state of affairs of the Company as at 31st December, 2023.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. The financial statements are prepared in accordance with a special purpose framework and that, as a result, the financial statements may not be suitable for another purpose.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

5. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position of the Company in accordance with the accounting principles generally accepted in India prescribed 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 the assets of the Company and



for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

Restriction on distribution or use

9. This report is intended solely for the use of the Company's board of directors for the preparation of valuation for inclusion in Swap Ratio Report in relation to the proposed Scheme of Amalgamation of the company and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

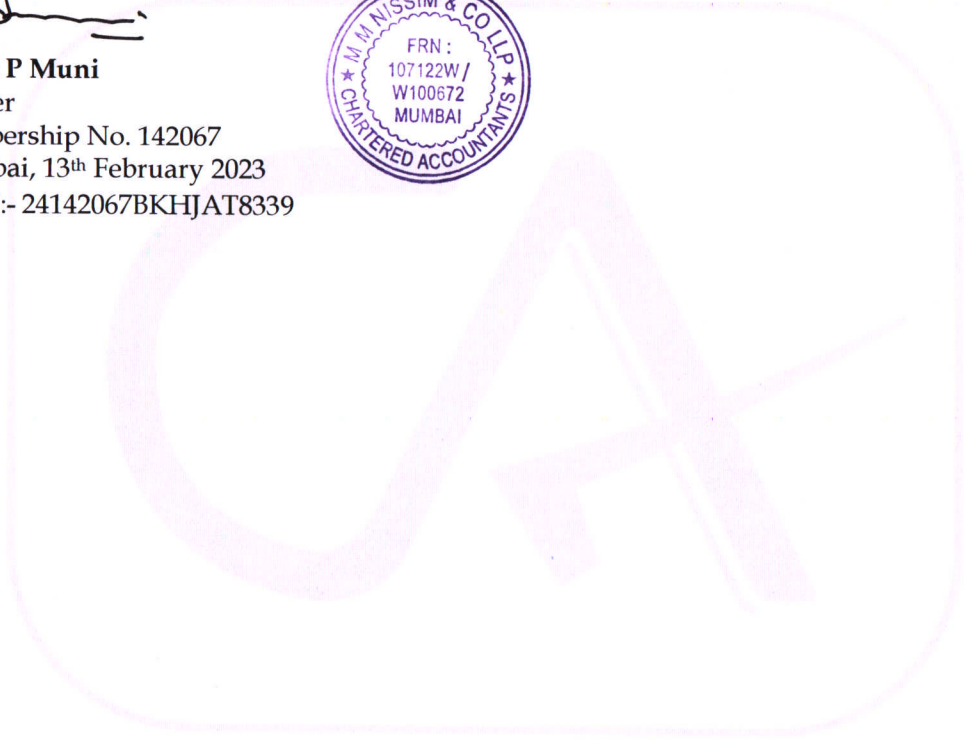


10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us , nor should this report be construed as a new opinion on any of the financial statements referred to herein
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm Registration No. 107122W/W100672



Hiren P Muni
Partner
Membership No. 142067
Mumbai, 13th February 2023
UDIN:- 24142067BKHJAT8339



KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Balance Sheet as at December 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	As at December 31, 2023
I)	Assets		
	1) Non-current assets		
	(a) Financial assets		
	(i) Investments	2	668.14
	2) Current assets		
	(a) Financial assets		
	(i) Cash & cash equivalents	3	0.50
	Total assets		668.64
II)	Equity and liabilities		
	1) Equity		
	(a) Equity share capital	4	668.14
	(b) Other equity	5	-
	Total equity		668.14
	2) Liabilities		
	I) Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6	0.50
	Total liabilities		0.50
	Total equity and liabilities		668.64

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

For and on behalf of Board of directors of
Kinam Enterprise Private Limited



Hiren P. Muni
Partner
Membership No. 142068
Place: Mumbai
Date: 13th February 2024



Kirit N Mehta
Director
(DIN-10213333)
Place: Mumbai
Date: 13th February 2024



Mehul K Mehta
Director
(DIN-10213334)
Place: Mumbai
Date: 13th February 2024

KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Statement of Profit and Loss for the period ended December 31, 2023

(₹ in Lakhs)

	Particulars	Notes	Year ended December 31, 2023
I)	Income		
a)	Revenue from operations		-
b)	Other income		-
	Total income (a+b)		-
II)	Expenses		
a)	Finance cost		-
b)	Depreciation and amortization expense		-
c)	Other expenses		-
	Total expenses (a+b+c)		-
III)	Profit before tax (I-II)		-
IV)	Tax expenses		
a)	Current tax		-
b)	Deferred tax		-
	Total tax expense (a+b)		-
V)	Profit for the year (III-IV)		-
VI)	Earnings per equity share [nominal value of share ₹ 10/- each]		
	Basic		-
	Diluted		-

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

For and on behalf of Board of directors of
Kinam Enterprise Private Limited



Hiren P. Muni

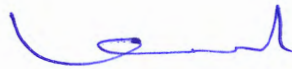
Partner

Membership No. 142067

Place: Mumbai

Date: 13th February 2024





Kirit N Mehta

Director

(DIN-10213333)

Place: Mumbai

Date: 13th February 2024



Mehul K Mehta

Director

(DIN-10213334)

Place: Mumbai


Date: 13th February 2024

KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Statement of cash flow for the period ended December 31, 2023

Particulars	As at December 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES :	
NET PROFIT BEFORE TAX	-
Adjustment for :	
Depreciation	-
Finance cost	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-
Trade receivables	-
Inventories	-
Other liabilities	-
CASH GENERATED FROM OPERATIONS	-
Direct taxes paid	-
NET CASH FROM OPERATING ACTIVITIES	-
CASH FLOW FROM INVESTING ACTIVITIES	
Investment in subsidiaries	(668.14)
Interest income	-
Dividend income	-
NET CASH USED IN INVESTING ACTIVITIES	(668.14)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from working capital facilities (Net)	
Proceeds from Issue of share capital/share warrants	668.14
Proceeds from short-term debt	0.50
Interest paid	-
Dividend paid	-
NET CASH FROM FINANCING ACTIVITIES	668.64
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	0.50
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	0.50

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



For and on behalf of Board of directors of
Kinam Enterprise Private Limited



Kirit N Mehta
Director
(DIN-10213333)
Place: Mumbai
Date: 13th February 2024



Mehul K Mehta
Director
(DIN-10213334)
Place: Mumbai
Date: 13th February 2024

KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Statement of changes in equity for the period ended December 31, 2023

A. EQUITY SHARE CAPITAL

	(₹ in Lakhs)
Share Capital	As at December 31, 2023
As at 1st April, 2023	-
Changes in equity share capital during the year 2023-24	668.14
As at 31st December, 2023	668.14

B. OTHER EQUITY

Particulars	Reserves and Surplus		Total
	General reserve	Retained earnings	
Profit for the reporting period ending 31st Dec 2023	-	-	-
Other comprehensive income (Net of tax)	-	-	-
Total comprehensive Income for the reporting year	-	-	-
Transactions with owners in their capacity as owners:			
Dividends	-	-	-
Transfer to general reserve	-	-	-
Balance at the reporting period ending 31st Dec 2023	-	-	-

Nature and purpose of each component of equity	Nature and Purpose
General reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of other comprehensive Income and the same shall not be subsequently reclassified to statement of profit and loss.
Retained earnings	Accumulated balance of total comprehensive income for the year.

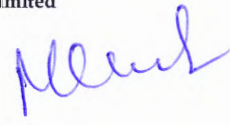
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Hiren P. Muni
Partner
Membership No. 142067
Place: Mumbai
Date: 13th February 2024



For and on behalf of Board of directors of
Kinam Enterprise Private Limited


Kirit N Mehta
Director
(DIN-10213333)
Place: Mumbai
Date: 13th February 2024


Mehul K Mehta
Director
(DIN-10213334)
Place: Mumbai
Date: 13th February 2024

KINAM ENTERPRISE PRIVATE LIMITED

CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

Note 1 - Significant Accounting Policies under IND AS

A Corporate Information

Kinam Enterprise Private Limited (the 'Company') was incorporated on 26th June, 2023 under the provisions of the Companies Act, 2013 and is a private limited company domiciled in India. The registered office of the Company is at 746.3 Parikrama Apartment A, Lunsikui 62437, Navsari Gujarat - 396445. The Company is engaged in the business of providing efficient and reliable heat exchanger solutions to customers across various industries.

B Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

i. These separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

a) Certain financial assets/liabilities measured at fair value and

b) Any other item as specifically stated in the accounting policy.

iii. The preparation of financial statements in conformity with Indian Accounting Standards 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.

iv. Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.



KINAM ENTERPRISE PRIVATE LIMITED

CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

v. Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

C Summary of significant accounting policies

i Property, plant and equipment

Property, Plant & Equipments are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and provision for impairment, if any. The cost includes expenditure 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 capitalised. In case of revaluation of assets, the original cost as written up by the valuer, is considered in the account and the differential amount is transferred to revaluation reserve.

ii 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.

iii Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.



KINAM ENTERPRISE PRIVATE LIMITED

CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

iv Taxes on Income:

Income tax expense represents the sum of income tax currently payable and deferred tax. Income Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax:

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) and normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

b) Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all tax deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

v Earnings per Share

Basic earnings per share are calculated by dividing the total profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Basic earnings per share are calculated separately for both continuing and discontinuing operations.



KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

vi Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial 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 amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss in finance costs.



KINAM ENTERPRISE PRIVATE LIMITED

CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognized in OCI is reclassified to Profit or Loss.

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

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of profit and loss.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortized cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)



KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair value through profit and loss (FVTPL):

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.



KINAM ENTERPRISE PRIVATE LIMITED

CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vii 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 realized 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.

viii Amendments to Schedule III of Companies Act, 2013:

Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable.



KINAM ENTERPRISE PRIVATE LIMITED
CIN: U43229GJ2023PTC142341

Notes to Financial Statement for the Year ended 31st December, 2023

Note 2
Investments

			(₹ in Lakhs)
Particulars	Number of Securities held	Face value	As at December 31, 2023
Unquoted - Investment in subsidiaries (At cost)			
Kinam Process Equipments Private Limited	66,81,360	10	668.14
Total			668.14

Note 3
Cash and bank balances

		(₹ in Lakhs)
Particulars	As at December 31, 2023	
Cash on hand	-	
Balance with banks (of the nature of cash and cash equivalents)	0.50	
Total		0.50

Note 4
Equity share capital

		(₹ in Lakhs)
Share Capital	Number of Share	As at December 31, 2023
Authorised capital		
Equity share of ₹ 10/- each	70,00,000	700.00
Issued, subscribed and fully paid-up		
66,81,360 equity shares of ₹ 10/- each	66,81,360	668.14
Reconciliation of number of equity share outstanding		
At the beginning of the year	-	-
Issued during the year	66,81,360	668.14
Outstanding at the end of the year	66,81,360	668.14

The details of shareholder holding more than 5% shares as at December 31, 2023:

Shareholder Name	As at December 31, 2023	
	Number of Share	% holding
Kirit N Mehta	33,23,977	49.75%
Mehul K Mehta	33,23,976	49.75%



KINAM ENTERPRISE PRIVATE LIMITED
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Notes to Financial Statement for the Year ended 31st December, 2023

The details of the shares held by promoters as at December 31, 2023:

Shareholder Name	As at December 31, 2023	
	Number of Share	% holding
Kirit N Mehta	33,23,977	49.75%
Mehul K Mehta	33,23,976	49.75%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 5

Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	General reserve	Retained earnings	
Profit for the reporting period ending 31st Dec 2023	-	-	-
Other comprehensive income (Net of tax)	-	-	-
Total comprehensive Income for the reporting year	-	-	-
Transactions with owners in their capacity as owners:			
Dividends	-	-	-
Transfer to general reserve	-	-	-
Balance at the reporting period ending 31st Dec 2023	-	-	-

Note 6

Borrowings

(₹ in Lakhs)

Particulars	As at December 31, 2023
Loan from Directors	0.50
Total	0.50

7 The provision of section 135 of the Companies Act, 2013 relating to CSR is not applicable to the company.

8 The presentation of previous year's figures are not applicable since this is the first year of the formation of the Company.

9 The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.



KINAM ENTERPRISE PRIVATE LIMITED
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Notes to Financial Statement for the Year ended 31st December, 2023

- 10 Provision regarding the number of layers prescribed under Section 2 (87) of the Act read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable.
- 11 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of Income Tax Act, 1961).
- 12 The Company has not traded or invested in crypto currency or virtual currency during the respective financial year/period.
- 13 The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.
- 14 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 15 Amendments to schedule III are disclosed to the extent applicable.

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: 13th February 2024



For and on behalf of Board of directors of
Kinam Enterprise Private Limited



Kirit N Mehta
Director
(DIN-10213333)
Place: Mumbai
Date: 13th February 2024



Mehul K Mehta
Director
(DIN-10213334)
Place: Mumbai
Date: 13th February 2024