

## BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report on the working of your Company together with the Audited financial statements of **KITO INDIA PRIVATE LIMITED** for the year ended 31<sup>st</sup> December 2023.

### FINANCIAL HIGHLIGHTS/STATE OF COMPANY'S AFFAIRS:

**Continued Operations:** (Rs. In Thousands)

Particulars	Current Year As on 31.12.2023	Previous Year As on 31.03.2023
Revenue from continued operations	4,15,563	3,34,594
Other Income	6,589	5,590
Total Expenditure excluding Depreciation	3,23,306	2,81,170
Depreciation	1,291	1,511
<b>Profit Before Tax from continuing operations</b>	<b>97,555</b>	<b>57,503</b>
Deferred Tax Credit	(18,870)	(22,651)
<b>Profit After Tax from continuing operations</b>	<b>1,16,425</b>	<b>80,154</b>
Revenue from discontinued operations	155	292
Profit/(Loss) from discontinued operations after tax	155	292
<b>Profit for the year</b>	<b>1,16,580</b>	<b>80,446</b>
<b>Earning Per Shares (EPS)</b>	<b>310</b>	<b>214</b>

### PERFORMANCE REVIEW:

During the year under review, Company has achieved a total turnover of Rs. 4,15,563/- Thousands, as compared to previous year Turnover of Rs.3,34,594/- Thousands, from continued operations. Thus, the Company has achieved higher revenue as compared to previous year revenue.



However, during the current period the Company has earned Net profit after Tax of Rs.1,16,425/- Thousands compared to previous year profit of Rs. 80,154/- Thousands from continued operations and Rs.155/- Thousands Net profit after tax from discontinued operations, compared to previous year net profit of Rs. 292/- thousands.

Your directors appreciate the performance of the Company and making all efforts to ensure optimal operational results in coming years and achieving higher margins.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of Business carried out by the Company during the period 01<sup>st</sup> April 2023 to 31<sup>st</sup> December 2023.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:**

There are no material changes and commitments affecting the financial position between end of financial year and date of report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**PERFORMANCE AND FINANCIAL POSITION EACH OF ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company does not have any Subsidiaries, Associates and Joint Venture Companies. Hence the disclosure is not required to be made.

**DIVIDEND:**

The Company has not recommended any dividend for the during the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023.



## **TRANSFER TO RESERVES:**

During the year, the Company has not transferred any amount to Reserves.

## **DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **BOARD OF DIRECTORS:**

The Board comprises of following Directors:

Sl. No.	Name of the Director	Designation
01	Mr. Preet Heston Heri	Managing Director
02	Mr. Kazuishi Kaneko	Director

## **NUMBER OF MEETINGS OF THE BOARD:**

During the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023, Board met 03 times.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state 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 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 the



Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) the directors had prepared the annual accounts on a going concern basis.
- e) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### **SHARE CAPITAL:**

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl.No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	Nil
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

As on 31<sup>st</sup> December, 2023 the Authorised Share capital of the Company was Rs. 4,00,00,000/- consisting of 4,00,000 Equity Shares of Rs. 100/- each and the paid-up Share Capital of the company was Rs. 3,75,55,000/- consisting of 3,75,550 Equity Shares of Rs. 100/- each.

During the year under review, company has not issued any shares or any convertible instruments.

### **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in '**Annexure - I**' of this report.

## **REMUNERATION POLICY:**

The Company is not covered under the provisions of Section 178(1) of the Companies Act, 2013.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not given any loans or guarantees under section 186 of the companies Act, 2013 during the year under review. The Company has complied with Section 186 of the Act with respect to the investments made.

## **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a prevention of Sexual Harassment policy (POSH) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023, no complaints were received by the Company.

## **RELATED PARTY TRANSACTIONS:**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is disclosed in form AOC-2 is attached as '**Annexure-II**'.

## **Conservation of Energy and Technology Absorption:**

Sl. No.	Particulars	Disclosure
(A)	<b><u>Conservation of Energy:</u></b> 1) <i>The steps taken or impact on conservation of energy</i>	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of



	<p>2) The steps taken by the company for utilising alternate sources of energy</p> <p>3) The capital investment on energy conservation equipment</p>	<p>energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.</p>
<p><b>(B)</b></p>	<p><b><u>Technology Absorption:</u></b></p> <p>1. The efforts made towards technology absorption;</p> <p>2. The benefits derived like product improvement, cost reduction, product development or import substitution.</p> <p>3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).</p> <p>a. the details of technology imported</p> <p>b. the year of import</p> <p>c. whether the technology been fully absorbed</p> <p>d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p> <p>4. The expenditure incurred on Research and Development.</p>	<p>Updating of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Company's activities.</p> <p>The Company has not imported any Technology, hence disclosure not required to be made under this section.</p> <p>There is no expenditure incurred on Research and Development.</p>

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Sl. No.	Particulars	As on 31.12.2023 Amount (INR in Thousands)	As on 31.03.2023 Amount (INR in Thousands)
01	Foreign Exchange Earnings	1,394	65
02	Foreign Exchange Expenditure	3,192	3,113

**RISK MANAGEMENT:**

The Company has been addressing various risks impacting the Company. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative.

The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

As per the risk management policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

**HUMAN RESOURCES:**

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.



## **EXTRACT OF ANNUAL RETURN:**

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the company, **if any** and the web-link of such annual return shall be disclosed in the Board's report. The link of Company's Website is <https://www.kito.co.in>

## **PARTICULARS OF EMPLOYEES:**

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are:

- a) Employed throughout the year: NIL
- b) Employed for part of the year: NIL

The remuneration paid to Managing Director was in accordance with remuneration policy adopted by the company.

## **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

## **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31<sup>st</sup> December, 2023.

## **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

The Company didn't enter any one-time settlement and the valuation report was not taken.



## **DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1) OF COMPANIES ACT, 2013:**

The Central Government of India has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products of the Company. However, the aggregate turnover of the Company during the preceding financial year is below threshold limit for applicability of provisions of Section 148(1) of the Companies Act. Therefore, the maintenance of cost records is not applicable to the Company.

## **AUDITOR'S QUALIFICATIONS/RESERVATIONS/ADVERSE REMARKS/FRAUD REPORTED:**

There are no qualifications, reservations or adverse remarks made by Statutory Auditors of the Company in the Audit Report for the financial year ended December 31, 2023.

## **AUDITORS:**

### **i. STATUTORY AUDITORS:**

M/s. S P Krishnamurthy & Co, Chartered Accountants, Bangalore, (FRN -007099S), appointed in 42<sup>nd</sup> Annual General Meeting as Statutory Auditors of the Company for the period of Five consecutive financial years (i.e FY 2023-24 to 2027-28), to hold till the conclusion of the 47<sup>th</sup> Annual General Meeting.

### **ii. SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

### **iii. INTERNAL AUDITORS:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014, Internal Audit is not applicable to the Company.



## **ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank its Bankers for their support in the growth of the Company. Your Directors wish to acknowledge with gratitude the patronage extended to the Company by the large body of its customers and contribution made by the employees at all levels and look forward to their dedicated commitment in the years to come towards the Company reaching greater heights.

Finally, Directors would like to convey their deep sense of gratitude to the members and look forward to their continued support in the growth of the Company.

On behalf of the board  
For **KITO INDIA PRIVATE LIMITED**

Date:16/05/2024  
Place: Bangalore



**Preet Heston Heri**  
Managing Director  
DIN: 00215187



**Kazuishi Kaneko**  
Director  
DIN: 06389931



UDIN: 24200963BJZZIR8221

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of M/s. Kito India Private Limited

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

#### **Opinion**

We have audited the standalone financial statements of M/s. Kito India Private Limited (the company), which comprise the balance sheet as at 31st December 2023, and the statement of Profit and Loss and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, its profit, and its cash flows for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the financial statements and our auditors' report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibility of Management for 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 26 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The 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 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 financial statements.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, a statement on the matters specified in paragraphs 3 and 4 of the Order, given Annexure A to this report.



2. As required by Section 143(3) of the Act, we report that:

- (1) 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.
- (2) 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.
- (3) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (4) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (5) On the basis of the written representations received from the directors as on 31st December, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (6) Reporting on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable since the Company is Private Limited Company and its turnover is less than Rs 50 crores as per the latest audited financial statement and its aggregate borrowings from banks or financial institutions or anybody corporate at any point of time during the financial period less than Rs. 25 crores
- (7) 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:
  - (a) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (c) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- (d) The company has not declared or paid any dividend during the period in contravention of the provisions of section 123 of the Companies Act, 2013.
- (8) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the period is in accordance with the provisions of section 197 of the Act.
- (9) Based on our examination which includes test checks, the company has used an accounting software for maintaining its books of account which has a features of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during our course of our audit we did not come across any instance of audit trail feature being tampered with.

Place: Bangalore  
Date: January 30, 2024

For S.P. Krishnamurthy & Co.  
Chartered Accountants  
Firm Reg No. 007099S

S.P. Krishnamurthy  
Partner

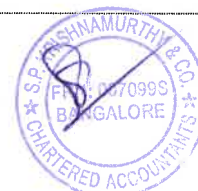
Membership No. 200963



## Annexure – A to the Auditors Report

The Annexure referred to in our report to the members of M/s. Kito India Private Limited for the period ended on December 31, 2023, We report that:

(i)	<p>a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant &amp; Equipments and proper records showing full particulars of Intangible Assets.</p> <p>b) The Property, Plant &amp; Equipments have been physically verified by the management during the period and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.</p> <p>c) According to the information and explanation given to us and the records of the company examined by us, the company does not own any immovable properties. Therefore, the provision of clause 3(i)(c) of the Order are not applicable to the company.</p> <p>d) The Company does not revalued its property, plant and equipment or intangible assets or both during the period.</p> <p>e) To the best of our knowledge &amp; belief, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition Act, 1988 (45 of 1988) and rules made thereunder.</p>
(ii)	<p>a) The inventory has been physically verified during the period at reasonable intervals by the management. In our opinion, the coverage, procedure &amp; frequency of such verifications is reasonable. The discrepancies noticed on the verification between physical stocks and the book stocks were properly adjusted in the books of account.</p> <p>b) During the period the company has not been sanctioned working capital limits in excess of Rs. Five Crores, in aggregate from any bank and financial institutions on the basis of security of current assets and accordingly, our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the company does not arise.</p>
(iii)	The company has not granted loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
(iv)	The company has not given loans, investments and guarantees & securities to which the provisions of Section 185 & 186 of the Companies Act, 2013 apply.
(v)	According to information given to us, the Company has not accepted any deposits to which the provisions of the Section 73 to 76 or any other relevant provisions of the companies Act and the Rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3(5) of CARO is not applicable to the company.
(vi)	The Central Government of India has specified maintenance of cost records under sub section 1 of Section 148 of the Act for the products of the Company. However, the aggregate turnover of the company during the preceding financial period is below threshold limit for applicability of provision of Section 148(1) of the Act, hence, reporting on Clause 3(vi) of the Order is not applicable to the Company.
(vii)	<p>(a) The company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods &amp; service tax, duty of customs, cess and any other statutory dues with the appropriate authorities.</p>





	(b) According to the information and explanations given to us, there are no other dues of Goods & Service Tax, Income tax, Custom Duty, Cess, and any other statutory dues as applicable which have not been deposited on account of any dispute except the following.					
	Name of the Statute	Nature of Dues	Amount (Rs. In Thousands)	Period to which the amount relates (FY)	Forum where the dispute is pending	Remarks if any
	Income Tax Act, 1961	Penalty u/s 271(1)(c)	2,318/-	2017-18	CIT (Appeals)	Nil
(viii)	There were no transaction which was not recorded in the books of account have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).					
(ix)	<p>In our opinion and according to the information and explanations given to us,</p> <p>a) The company has not defaulted in repayment of dues to a financial institution or bank.</p> <p>b) The company is not declared as a wilful defaulter by any bank or financial institution or any other lender.</p> <p>c) The company has not obtained any term loans during the period.</p> <p>d) The company has not raised funds on short term basis.</p> <p>e) The company does not have any subsidiaries, associates or joint ventures hence reporting under 3 (ix) (e) clause is not applicable.</p> <p>f) The company does not have any subsidiaries, associates or joint ventures hence reporting under 3 (ix) (f) clause is not applicable.</p>					
(x)	<p>According to the explanation &amp; information given to us,</p> <p>(a) The company did not raised money by way of initial public offer or further public offer (including debt instrument) during the period.</p> <p>(b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the period.</p>					
(xi)	Based on the audit procedure performed and information and explanations given by the management, we report that no fraud by the company or no fraud on the company by its officer or employees has been noticed or reported during the period.					
(xii)	The company is not a Nidhi company, therefore clause 3(xii) of the Order is not applicable to the company.					
(xiii)	All transactions with the related parties are in compliance with Sec 188 & 177(where applicable) of the Companies Act, 2013, and the details thereof have been disclosed in the Financial Statements etc., as required by the Accounting Standards & Companies Act, 2013.					
(xiv)	In our opinion and based on our examination the Company did not have an internal audit system during the period. The Company is not mandated to have an internal audit system during the period.					
(xv)	The company has not entered into any non-cash transaction with directors / persons connected with him and therefore clause 3(xv) of the Order is not applicable to the Company.					
(xvi)	<p>(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> <p>(b) The company has not conducted any Non-Banking Financial or Housing Finance activities.</p>					



	(c) The company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India.
(xvii)	The company has not incurred cash loss during the financial period or in the immediately preceding financial period.
(xviii)	There is no resignation of the statutory auditors during the period.
(xix)	According to the information & explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plan and based on our examination of the evidence, supporting the assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that company is not capable of meeting its liabilities existing at the date of balance sheet as & when they fall due within a period of one period from the balance sheet date. However, we state that, this is not an assurance as to the future viability of the company. 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 assurance that all liability falling due within a period of one period from the balance sheet date will get discharged by the company as & when they fall due.
(xx)	The provision relating to Corporate Social Responsibility u/s 135 of the Act is applicable from the current period. a) The company is spending the required amount of Corporate Social Responsibility obligation and, partially spent as at the balance sheet date. b) There were no ongoing project, hence this clause is not applicable.
(xxi)	Reporting under clause 3(xxii) of the Order is not applicable in respect of audit of Standalone Financial Statements.

**For S P Krishnamurthy & Co**  
Chartered Accountants  
FRN No -007099S

*S P Krishnamurthy*



**S P KRISHNAMURTHY**  
Partner  
Membership No - 200963

Place: Bangalore  
Date: January 30, 2024

**Kito India Private Limited**  
**(formerly, Armsel MHE Private Limited)**

CIN: U74140KA1981PTC004248

**Balance Sheet**

(All amounts in Rs. Thousands unless otherwise stated)

	Note	As at December 31, 2023	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	37,555	37,555
(b) Reserves and surplus	3	330,206	213,626
		<b>367,761</b>	<b>251,181</b>
<b>Non-current liabilities</b>			
(a) Long-term provisions	4	4,761	3,690
		<b>4,761</b>	<b>3,690</b>
<b>Current liabilities</b>			
(a) Trade payables	5		
Total outstanding dues of micro enterprises and small enterprises		894	97
Total outstanding dues of creditors other than micro and small enterprises		48,416	71,041
(b) Other current liabilities	6	16,064	21,771
(c) Short-term provisions	7	683	786
		<b>66,057</b>	<b>93,694</b>
<b>Total</b>		<b>438,578</b>	<b>348,565</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment and Intangible assets	8		
(i) Property, plant and equipment		14,657	9,852
(ii) Intangible assets		-	-
(b) Non-current investment	9	6	6
(c) Deferred tax assets (net)	10	41,521	22,651
(d) Long-term loans and advances	11	1,381	619
(e) Other non-current assets	12	11,354	5,107
		<b>68,918</b>	<b>38,236</b>
<b>Current assets</b>			
(a) Inventories	13	158,791	126,838
(b) Trade receivables	14	57,653	48,340
(c) Cash and bank balances	15	149,655	129,671
(d) Short-term loans and advances	16	2,449	4,868
(e) Other current assets	17	1,111	612
		<b>369,659</b>	<b>310,329</b>
<b>Total</b>		<b>438,578</b>	<b>348,565</b>

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For S. P. Krishnamurthy & Co  
Chartered Accountants  
Firm Registration Number: 007099S

(S. P. Krishnamurthy)  
Partner  
Membership Number: 200963  
Place: Bengaluru  
Date: January 30, 2024



For and on behalf of the Board of Directors

Preet H Heri  
Managing Director  
DIN: 00215187  
Place: Bengaluru  
Date: January 30, 2024

Kazuishi Kaneko  
Director  
DIN: 06389931  
Place: Narshino, Japan  
Date: January 30, 2024

**Kito India Private Limited**  
**(formerly, Armsel MHE Private Limited)**

CIN: U74140KA1981PTC004248

**Statement of Profit and Loss**

(All amounts in Rs. Thousands unless otherwise stated)

Particulars	Note	Period ended	Year ended
		December 31, 2023	March 31, 2023
<b>INCOME</b>			
Revenue from operations	18	415,563	334,594
Other income	19	6,589	5,590
<b>Total Income</b>		<b>422,152</b>	<b>340,184</b>
<b>EXPENSES</b>			
Cost of material consumed	20	248,413	193,676
Purchases of stock in trade	21	365	9,810
Changes in inventories of finished goods, work in progress and stock in trade	22	570	3,783
Employee benefits expense	23	41,808	43,368
Finance costs	24	94	29
Depreciation and amortisation expense	8	1,291	1,511
Other expenses	25	32,056	30,504
<b>Total expenses</b>		<b>324,597</b>	<b>282,681</b>
<b>Profit before exceptional items and tax from continuing operations</b>		<b>97,555</b>	<b>57,503</b>
<b>Profit before tax from continuing operations</b>		<b>97,555</b>	<b>57,503</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax credit		(18,870)	(22,651)
<b>Profit for the period from continuing operations</b>		<b>116,425</b>	<b>80,154</b>
<b>B. Discontinuing operations</b>			
Profit / (Loss) before tax from discontinuing operations		155	292
Tax Expense from discontinued operation		-	-
<b>Net Profit / (Loss) from discontinued operations after tax</b>		<b>155</b>	<b>292</b>
<b>Profit for the period</b>		<b>116,580</b>	<b>80,446</b>
<b>Earnings per equity share [Nominal value per share: Rs. 100</b>			
Earnings per share -Basic and Diluted (Rs.)		310	214

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For S. P. Krishnamurthy & Co  
Chartered Accountants  
Firm Registration Number: 007099S

(S. P. Krishnamurthy)  
Partner  
Membership Number: 200963  
Place: Bengaluru  
Date: January 30, 2024



For and on behalf of the Board of Directors

Preet H Heri  
Managing Director  
DIN: 00215187  
Place: Bengaluru  
Date: January 30, 2024

Kazuishi Kaneko  
Director  
DIN: 06389931  
Place: Narshino, Japan  
Date: January 30, 2024

**Kito India Private Limited**  
**(formerly, Armsel MHE Private Limited)**

CIN: U74140KA1981PTC004248

**Cash Flow Statement**

(All amounts in Rs. Thousands unless otherwise stated)

Particulars	Period ended	Year ended
	December 31, 2023	March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax including discontinued operations	97,710	57,791
Adjustments for -		
Depreciation and amortisation expense	1,291	1,511
(Profit ) on sale of assets	(16)	-
Bad debts written off	8	46
Liabilities no longer required written back	(545)	(326)
Interest income from bank	(6,028)	(5,257)
Loss on sale of property, plant and equipment	66	28
<b>Operating profit before working capital changes</b>	<b>92,486</b>	<b>53,794</b>
<b>Changes in Working Capital:</b>		
Increase / (decrease) in trade payables	(21,283)	31,803
Increase / (decrease) in provisions	967	1,087
Increase / (decrease) in other current liabilities	(5,707)	14,609
(Increase)/ decrease in loans and advances	2,419	(2,467)
(Increase)/ decrease in other assets	(627)	(519)
(Increase)/ decrease in inventories	(31,953)	(56,974)
(Increase)/ decrease in trade receivables	(9,321)	(21,259)
<b>Cash generated from operations</b>	<b>26,982</b>	<b>20,074</b>
Taxes paid (net of refunds)	(762)	(270)
<b>Net Cash flow from operating activities</b>	<b>26,220</b>	<b>19,804</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment & intangible assets	(6,243)	(2,172)
Proceeds from sale of property, plant and equipment	98	33
Interest received	6,028	5,313
Deposits made with bank	(6,119)	(1,441,082)
Proceeds from maturity of deposits with banks	-	1,440,000
<b>Net cash flow from investing activities (B)</b>	<b>(6,235)</b>	<b>2,093</b>
<b>C. Cash flow from financing activities</b>	-	-
<b>Net cash flow from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>19,984</b>	<b>21,897</b>
<b>Cash and cash equivalents at the beginning of the Period</b>	<b>129,671</b>	<b>107,774</b>
<b>Cash and Cash equivalents at the end of the period (*)</b>	<b>149,655</b>	<b>129,671</b>
<b>* Cash and Cash equivalents comprise of-</b>		
Cash on Hand	9	10
Bank Balances		
(a) in current accounts	9,646	9,661
(b) in demand deposit with original maturity less than 3 months	140,000	120,000
<b>Total</b>	<b>149,655</b>	<b>129,671</b>

**Notes:**

- The above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 on "Cash Flow Statements".
- The above Cash Flow Statement has been compiled from and is based on Balance Sheet as at end of the period and the relative Statement of Profit and Loss for the period ended on that date.

The accompanying notes are an integral part of these Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

For S P Krishnamurthy & Co  
Chartered Accountants  
FRN: 007099S

(S. P. Krishnamurthy)  
Partner  
Membership Number: 200963  
Place: Bengaluru  
Date: January 30, 2024



For and on behalf of the Board of Directors

Preet H Heri  
Managing Director  
DIN: 00215187  
Place: Bengaluru  
Date: January 30, 2024

Kazuishi Kaneko  
Director  
DIN: 06389931  
Place: Narshino, Japan  
Date: January 30, 2024



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**Note**  
**No. 1** **Basis of Significant Accounting Policies**

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**1.01 Background**

Kito India Private Limited ('the Company') is a subsidiary of Kito Corporation, Japan ('Holding Company'). The Company is in the business of providing lifting solutions and ancillary services. The Company was incorporated in 1981 under the Companies Act, 1956 ('the Act'). The registered office of the Company is located at Sy No.118/2, 80 Feet Road, Jakkur Post, Yelahanka Hobli, Bengaluru, Karnataka, India.

The name of the Company has been changed from Armsel MHE Private Limited to Kito India Private Limited on October 14, 2020.

**Summary of significant accounting policies**

**1.02 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Companies Act, 2013 ("the Act").

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**1.03 Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**1.04 Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**1.05 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties, non-refundable taxes, (if any) and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

**1.05 Property, Plant and Equipment (contd.)**

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the statement of profit and loss.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.



**Note No. 1 Basis of Significant Accounting Policies**

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation done by management's expert taking into account the nature of the assets, their estimated period of use and the operating conditions. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial period end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives of property, plant and equipment are as follows:

Asset	Management estimate of useful life (in periods)	Useful life as per Schedule II of the Act (in periods)
Lease hold improvements	30	30
Plant and machinery	15	15
Office equipment	5	5
Furniture and fixtures	10	10
Vehicles	8	8
Computers	3	3

**1.06 Intangible assets**

Acquired Intangible assets (i.e. Computer Software) are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial period end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful life is as follows:

Asset	Management estimate of useful life (in periods)
Computer software	5

**1.07 Impairment of assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit ("CGU") is made. Recoverable amount is higher of an asset's or CGU's net selling price and its 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 and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a CGU. An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.



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**Note**  
**No. 1** **Basis of Significant Accounting Policies**

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**1.08 Foreign currencies translation**  
**Initial recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

**1.09 Revenue Recognition**

**a. Sale of products**

Revenue from Sales is recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods from premises/delivery of goods to customers depending on the terms with the respective customers. Sales are recognised net of trade discounts and goods and services tax (GST). Sale of products also includes freight recovery from the customers.

**b. Sale of services**

Revenue from operation and maintenance services are recognised as a service income as and when the services are rendered based on the service agreement on completed service contract method and when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services and are recognised net of GST.

**1.10 Other income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.11 Employee benefits**

**Provident Fund :** Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity :** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972 and amendments thereto. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the period in which they arise.

**Compensated absences :** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the period end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each period. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the period in which they arise.






**Note**  
**No. 1 Basis of Significant Accounting Policies**

**1.12 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**1.13 Current tax and deferred tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the 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 taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. 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 taxation laws.

**1.14 Provisions and contingent liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**1.15 Investments**

Investments that are readily realisable and are intended to be held for not more than one period from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.



**Kito India Private Limited**  
**(formerly, Armcel MHE Private Limited)**

CIN: U74140KA1981PTC004248

**Notes forming part of the financial statements for the period ended December 31, 2023**

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**Note**  
**No. 1 Basis of Significant Accounting Policies**

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**1.16 Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**1.17 Segment reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses / income".

**1.18 Leases**

As a lessee:

Operating leases: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.



Kito India Private Limited

(formerly, Armsel MHE Private Limited)

CIN: U74140KA1981PTC004248

Notes forming part of the financial statements for the period ended December 31, 2023

(All amounts in Rs. Thousands unless otherwise stated)

	As at December 31, 2023	As at March 31, 2023
<b>2 Share Capital</b>		
<b>A. Authorised</b>		
400,000 (March 31, 2022: 400,000) equity shares of Rs. 100 each	40,000	40,000
<b>B. Issued, subscribed and fully paid up</b>		
375,550 (March 31, 2022: 375,550) equity shares of Rs. 100 each fully paid up	37,555	37,555
	<b>37,555</b>	<b>37,555</b>

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

	As at December 31, 2023		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	375,550	37,555	375,550	37,555
Additions during the year	-	-	-	-
Balance as at the end of the year	<b>375,550</b>	<b>37,555</b>	<b>375,550</b>	<b>37,555</b>

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having face value of Rs. 100 each. Each shareholder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors (BOD) is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion of their shareholding.

(c) Details of equity shares held by shareholders holding more than 5% of aggregate shares in the Company:

Name of the shareholder	As at December 31, 2023		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Kito Corporation, Japan, the holding company	375,549	99.99%	375,549	99.99%

Note: There is no change in the shareholdings of the company during the period



Kito India Private Limited

(formerly, Armself MHE Private Limited)

CIN: U74140KA1981PTC004248

Notes forming part of the financial statements for the period ended December 31, 2023

(All amounts in Rs. Thousands unless otherwise stated)

(d) Details of equity shares held by holding or ultimate holding Company, including shares held by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate:

Name of the shareholder	As at December 31, 2023		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Kito Corporation, Japan, the holding company	375,549	37,555	375,549	37,555
Kito Hoist & Cranes Asia Pte. Ltd., Singapore, fellow subsidiary	1	*	1	*

\* Amount is below the rounding off norm adopted by the Company

(e) Details of Promoters Shareholding

Shares held by Promoters at the end of the year	December 31, 2023		% change during the year	
	Number of shares	% of total shares	Number of shares	% of total shares
Kito Corporation, Japan	375,549 (375,549)	99.99% (99.99%)	-	-
Kito Hoist & Cranes Asia Pte Ltd, Singapore	1 (1)	0.01% (0.01%)	-	-

(Figures in brackets denote prior year figures)

- (f) There are no shares bought back by the Company during the five years immediately preceding December 31, 2023.
- (g) There are no shares which are reserved to be issued under options and there are no securities issued/outstanding which are convertible into equity shares as on December 31, 2023.
- (h) There are no shares allotted as (a) fully paid-up pursuant to contract(s) without payment being received in cash and (b) bonus shares during 5 years immediately preceding December 31, 2023.
- (i) There are no shares which have been forfeited as at December 31, 2023.



**Kito India Private Limited**  
**(formerly, Armsel MHE Private Limited)**

CIN: U74140KA1981PTC004248

Notes forming part of the financial statements for the period ended December 31, 2023

	As at December 31, 2023	As at March 31, 2023
<b>3 Reserves and surplus</b>		
<b>Deficit in statement of profit and loss</b>		
Balance as at the beginning of the period	(142,016)	(222,461)
Add: Profit for the period	116,580	80,446
<b>Balance as at the end of the period</b>	<b>(25,436)</b>	<b>(142,016)</b>
<b>Investment allowance reserve</b>		
Balance as at the beginning of the period	360	360
Add: Additions during the period	-	-
<b>Balance as at the end of the period</b>	<b>360</b>	<b>360</b>
<b>General Reserve</b>		
Balance as at the beginning of the period	157	157
Add: Additions during the period	-	-
<b>Balance as at the end of the period</b>	<b>157</b>	<b>157</b>
<b>Securities premium</b>		
Balance as at the beginning of the period	355,125	355,125
Add: Additions during the period	-	-
<b>Balance as at the end of the period</b>	<b>355,125</b>	<b>355,125</b>
	<b>330,206</b>	<b>213,626</b>
<b>4 Long-term provisions</b>		
Provision for employee benefits:		
Provision for gratuity (refer Note 35)	3,999	2,987
Provision for compensated absences	761	703
	<b>4,761</b>	<b>3,690</b>
<b>5 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer Note 26)	894	97
Total outstanding dues of creditors other than micro and small enterprises (refer Note 5.1)	48,416	71,041
	<b>49,310</b>	<b>71,138</b>
<b>5.1 Includes payables to related parties (refer Note 33)</b>	<b>42,928</b>	<b>63,574</b>
<b>5.2 Refer Note 40 for Trade payables ageing schedule</b>		
<b>6 Other current liabilities</b>		
Employees benefits payable (refer Note 6.1)	8,100	4,123
Statutory dues including provident fund and tax deducted at source	4,902	1,061
Advances from customers	3,062	16,587
	<b>16,064</b>	<b>21,771</b>
<b>6.1 Includes payable to Key Management Personnel (refer Note 33)</b>	<b>4,248</b>	<b>1,382</b>
<b>7 Short-term provisions</b>		
Provisions for employee benefits:		
Provision for gratuity (refer Note 35)	593	688
Provision for compensated absences	90	98
	<b>683</b>	<b>786</b>



8A. Property, plant and equipment

Particulars	Gross block			Depreciation			Net block		
	Balance as at April 1, 2023	Additions during the period	Deletions during the year	Adjustment for re-grouping	Balance as at December 31, 2023	For the period	Deletions	Adjustment for re-grouping	Balance as at December 31, 2023
<b>Owned</b>									
<b>Continuing operations</b>									
Plant and machinery	6,518	2,142	126	15	8,549	368	80	(12)	2,199
Office equipment	2,744	145	110	(15)	2,764	87	110	12	2,055
Furniture and fixtures	7,787	3,641	554	(0)	10,874	603	452	(1)	4,043
Vehicles	1,685	-	-	-	1,685	-	-	-	1,600
Computers	1,397	315	-	-	1,712	233	-	-	1,030
<b>Discontinued operations</b>									
Office equipment	37	-	-	-	37	-	-	-	37
<b>Total</b>	<b>20,167</b>	<b>6,243</b>	<b>790</b>	<b>0</b>	<b>25,620</b>	<b>1,291</b>	<b>643</b>	<b>0</b>	<b>10,964</b>

Particulars	Gross block			Depreciation			Net block		
	Balance as at April 1, 2022	Additions during the period	Deletions during the year	Adjustment for re-grouping	Balance as at March 31, 2023	For the period	Deletions	Adjustment for re-grouping	Balance as at March 31, 2023
<b>Owned</b>									
<b>Continuing operations</b>									
Plant and machinery	5,881	637	-	-	6,518	401	-	-	1,922
Office equipment	2,489	294	40	-	2,744	160	24	-	2,065
Furniture and fixtures	7,155	697	65	-	7,787	717	20	-	3,892
Vehicles	1,685	-	-	-	1,685	-	-	-	1,600
Computers	946	544	93	-	1,397	233	93	-	798
<b>Discontinued operations</b>									
Office equipment	37	-	-	-	37	-	-	-	37
<b>Total</b>	<b>18,193</b>	<b>2,172</b>	<b>198</b>		<b>20,167</b>	<b>1,511</b>	<b>137</b>		<b>10,315</b>

Note:

The Company did not have any capital work-in-progress as at December 31, 2023 and March 31, 2023.



8B. Intangible assets

Particulars	Gross block				Amortisation				Net block
	Balance as at April 1, 2023	Additions during the period	Deletions during the year	Balance as at December 31, 2023	Balance as at April 1, 2023	For the period	Deletions	Balance as at December 31, 2023	Balance as at December 31, 2023
	Owned Computer software	266	-	-	266	266	-	-	266
Discontinued operations Computer software	33	-	-	33	33	-	-	33	-
<b>Total</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>-</b>

Particulars	Gross block				Amortisation				Net block
	Balance as at April 1, 2022	Additions during the period	Deletions during the year	Balance as at March 31, 2023	Balance as at April 1, 2022	For the period	Deletions	Balance as at March 31, 2023	Balance as at March 31, 2023
	Owned Computer software	266	-	-	266	266	-	-	266
Discontinued operations Computer software	33	-	-	33	33	-	-	33	-
<b>Total</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>-</b>

**Note:**  
The Company did not have any intangible assets under development as at December 31, 2023 and March 31, 2023.



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	As at December 31, 2023	As at March 31, 2023
<b>9 Non-current investment</b>		
Other investments:		
Quoted		
Investment in equity instruments		
241 shares (March 31, 2022: 241 shares) of Rs. 2 each full paid up in Bank of Baroda	6	6
	<b>6</b>	<b>6</b>
<b>Aggregate amount of quoted investments</b>	6	6
<b>Market value of quoted investments</b>	56	41
<b>Aggregate provision for diminution in the value of investments</b>		
<b>10 Deferred tax assets (net)</b>		
Deferred tax asset arising from:		
Difference between carrying value of Property, plant and equipment in the financial statement and the income tax return (net)	399	456
Expenses allowable for tax purposes when payment is made:	-	-
Provision for gratuity & Leave Encashment	1,370	1,126
Dis-allowance u/s 40(a)(ia)	154	154
Provision for bonus	-	955
Provision for doubtful debts	-	2,427
Unabsorbed depreciation and business losses	39,598	77,377
	<b>41,521</b>	<b>82,496</b>
<b>Deferred tax assets (net) (refer Note 10.1)</b>	<b>41,521</b>	<b>22,651</b>

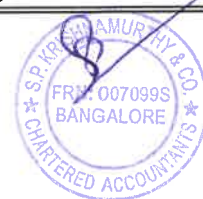
**10.1 (a)** The tax impact for the above purpose has been arrived by applying a tax rate of 25.168% being the substantively enacted tax rate for Indian Companies under the Income Tax Act, 1961. The Company has opted for lower tax rate under Section 115BAA.

(b) In consideration of the profitability of the Company in the current period and virtual certainty supported by convincing evidence of future profits, the management has recognised deferred tax assets on timing differences, business losses and unabsorbed depreciation to the extent of Rs. 41,521 (2023: Rs. 22,651).

**Current tax:**

No provision for normal income tax has been made in the financial statements as the Company has no taxable profit after adjusting its carried forward losses.

	As at December 31, 2023	As at March 31, 2023
<b>11 Long-term loans and advances</b>		
Unsecured, considered good:		
Advance Income Tax [net of provision for tax Rs. Nil (March 31, 2023 Rs. Nil)]	1,381	619
	<b>1,381</b>	<b>619</b>





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	As at December 31, 2023	As at March 31, 2023
<b>12 Other non-current assets</b>		
Unsecured, considered good:	-	-
Security deposits	3,600	3,600
Retention money	343	343
Work in Progress- E&C	211	83
Long term deposits with banks with maturity period more than 12 months	7,200	1,082
	<b>11,354</b>	<b>5,107</b>
<b>13 Inventories</b>		
Raw materials (refer Note 13.1 and 13.2)	147,819	115,296
Work in Progress	202	295
Traded goods (refer Note 13.2)	9,000	10,548
Finished goods	1,770	699
	<b>158,791</b>	<b>126,838</b>
<b>13.1</b> Net of inventories written off, recognised as expense during the year and included in cost of material consumed in the Statement of Profit and Loss	167	658
<b>13.2</b> Includes goods-in-transit:		
Raw materials	16,821	12,953
Traded goods	-	-
<b>14 Trade receivables</b>		
Secured, considered good		
Out standing for a period exceeding six months from the date they were due for payment	-	-
Unsecured		
-Considered Good	57,653	48,340
-Considered Doubtful	1,988	9,643
Others		
Less: Provision for doubtful debts	(1,988)	(9,643)
	<b>57,653</b>	<b>48,340</b>

Note: Refer Note 41 for Trade receivables ageing schedule



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	As at December 31, 2023	As at March 31, 2023
<b>15 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	9	10
<b>Bank balances:</b>		
(a) in current accounts	9,646	9,661
(b) in demand deposit with original maturity less than 3 months	140,000	120,000
(c) Margin money deposit (less than 3 months maturity)	-	-
Other bank balances:	-	-
	<b>149,655</b>	<b>129,671</b>
<b>16 Short-term loans and advances</b>		
Unsecured, considered good		
Loans and advances to employees	118	218
Balance with government authorities	650	2,747
Advances to suppliers	840	102
Prepaid expenses	841	1,801
	<b>2,449</b>	<b>4,868</b>
<b>17 Other current assets</b>		
Unsecured, considered good		
Security Deposits	480	480
Interest accrued on deposits with banks	631	50
Other receivables	-	82
	<b>1,111</b>	<b>612</b>



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	Period ended December 31, 2023	Year ended March 31, 2023
<b>18 Revenue from operations</b>		
Sale of products	412,294	330,581
Sale of services	3,269	4,013
	<b>415,563</b>	<b>334,594</b>
<b>(a) Details of sale of products</b>		
<b>(i) Finished Goods</b>		
Manual chain hoist	46,972	55,813
Electric chain hoist	306,091	215,733
<b>(ii) Traded Goods</b>	6,701	19,984
<b>(iii) Sales - Others</b>	52,530	39,052
	<b>412,294</b>	<b>330,581</b>
<b>(b) Details Sale of Services</b>		
Operation and maintenance services	3,269	4,013
	<b>3,269</b>	<b>4,013</b>
<b>19 Other income</b>		
Interest income on bank deposits	6,028	5,257
Profit on sale of property, plant and equipment	16	-
Liabilities no longer required written back	545	326
Miscellaneous income	-	8
	<b>6,589</b>	<b>5,590</b>
<b>20 Cost of material consumed</b>		
<b>Raw materials consumed</b>		
Opening stock	115,296	54,539
Add: Purchases (net)	280,936	254,434
Less: Closing stock	147,819	115,296
Cost of raw materials consumed	<b>248,413</b>	<b>193,676</b>
<b>21 Purchase of Stock in Trade</b>		
Chains and lifting accessories	365	9,810
	<b>365</b>	<b>9,810</b>
<b>22 Changes in inventories of work-in-progress, finished goods and stock in trade</b>		
Opening stock		
Work-in-progress	295	4,645
Finished goods	699	320
Traded goods	10,548	10,360
<b>Total (A)</b>	<b>11,542</b>	<b>15,325</b>
Closing stock		
Work-in-progress	202	295
Finished goods	1,770	699
Traded goods	9,000	10,548
<b>Total (B)</b>	<b>10,972</b>	<b>11,542</b>
<b>(Increase)/ Decrease in inventories (A-B)</b>	<b>570</b>	<b>3,783</b>



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Notes forming part of the financial statements for the period ended December 31, 2023

	Period ended December 31, 2023	Year ended March 31, 2023
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	38,436	39,891
Contribution to provident and other funds [refer Note 35 (a)]	503	602
Gratuity [refer Note 35 (b)]	1,063	949
Staff welfare expenses	1,805	1,927
	<b>41,808</b>	<b>43,368</b>
<b>23.1</b> The Company does not have any Employee stock option scheme.		
<b>24 Finance costs</b>		
Bank guarantee charges	94	29
	<b>94</b>	<b>29</b>
<b>25 Other expenses</b>		
Bank charges	22	28
Power and fuel	398	274
Freight outward	966	763
Subcontractor expenses	1,707	936
Advertisement and publicity expenses	9,650	5,714
Bad debts written off	8	46
Legal and professional expenses	3,062	3,762
Loss on sale of Property, plant and equipment	66	28
Payment to auditors (refer Note 39)	523	1,197
Insurance	991	936
Communication expenses	376	452
Postage and courier	146	169
Printing and stationery	115	81
CSR Expenditure	502	-
Rates and taxes	70	271
Net loss on foreign currency transaction and translation	59	131
Rent (refer Note 38)	4,487	5,953
Repairs and maintenance:		
- Plant and machinery	1,270	1,091
- Other maintenance	395	835
Travelling and conveyance expenses	7,124	7,625
Miscellaneous expenses	120	211
	<b>32,056</b>	<b>30,504</b>



**26 Dues to Micro and Small Enterprises (MSME)**

The details of dues to MSMEs under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and disclosures pursuant to the MSMED Act are as follows:

Particulars	December 31, 2023	
	December 31, 2023	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	97
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of the accounting period	-	-
Amount of further interest remaining due and payable even in the succeeding periods, 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 the MSMED Act	-	-

**27 Derivative instruments and unhedged foreign currency exposure**

The Company did not enter into any derivative contracts during the current and prior period. Details of unhedged foreign currency exposure are as follows:

Particulars	Foreign Currency		Reporting Currency (Rs.)	
	As at December 31, 2023	As at March 31, 2023	As at December 31, 2023	As at March 31, 2023
Trade Payables (EUR)	95	-	8,716	-

**28 Expenditure in foreign currency :**

Particulars	As at December 31, 2023	As at March 31, 2023
Purchase of capital goods	90	34
Reimbursement of expenses (refer Note 33)	2,539	2,896
Travelling and conveyance expenses	562	183
	<b>3,192</b>	<b>3,113</b>

**29 Earnings in foreign currency**

Particulars	As at December 31, 2023	As at March 31, 2023
Export Sales	1,394	65

**30 CIF value of imports**

Particulars	As at December 31, 2023	As at March 31, 2023
Raw material	254,142	208,380
Traded goods	365	9,810
	<b>254,507</b>	<b>218,190</b>



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Notes forming part of the financial statements for the period ended December 31, 2023

	As at December 31, 2023		As at March 31, 2023	
<b>31 Details of consumption and purchases</b>				
<b>a) Details of raw materials consumed</b>				
Raw materials and components			248,413	193,677
<b>b) Value of imported and indigeneous raw materials consumed</b>				
	As at December 31, 2023		As at March 31, 2023	
	Amount	%	Amount	%
Raw material:				
Imported	233,088	94%	177,379	92%
Indigenous	14,456	6%	16,297	8%
	247,544	100%	193,677	100%

Particulars	As at December 31, 2023		As at March 31, 2023	
<b>32 Contingent liabilities and commitments</b>				
<b>A. Contingent liabilities</b>				
Bank Guarantee [Refer Note (a)]			7,200	-
Income tax matters [Refer Note (b)]			2,318	2,318
<b>Total</b>			<b>9,518</b>	<b>2,318</b>

Note (a): Bank guarantee shown above excludes performance bank guarantees.

(b) These matters are related to demands (excluding interest and penalty, if any) raised by Income Tax authorities for the assessment periods 2016-17, 2017-18 and 2018-19, in respect of transfer pricing adjustments on transactions with overseas group companies. The Company has preferred appeal against such demands with various Income tax authorities and provision for tax has not been provided in the books as in all those year the company has the returned loss & brought forward losses.

Notes:

1. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
2. The Company does not expect any reimbursements in respect of the above contingent liabilities.
3. The Company has not provided for warranty expense on the products sold by the Company, since the product liability is covered through back to back agreement with its group companies, passing on the product liability to the original manufacturer.

The details of the demand assessment period wise are as below:

Tax assessment period	Gross Demand	
	As at December 31, 2023	As at March 31, 2023
2016-17	-	-
2017-18	-	-
2018-19	-	-
2018-19	Penalty Demand	
	2,318	2,318
	<b>2,318</b>	<b>2,318</b>

**B. Capital and other commitments**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (March 31, 2023: Rs. Nil)

(b) Other Commitments Rs. Nil (March 31, 2023: Rs. Nil).



33 Related party disclosures

(i) Related parties where control exists

Ultimate Holding Company  
Holding Company

- Kito Corporation, Japan
- Kito Corporation, Japan

(ii) Other related parties with whom transactions have taken place during the year

Fellow Subsidiaries

- Kito Hoists & Cranes Asia Pte. Ltd, Singapore
- Kito Europe GmbH, Germany
- Kito Chain Italia SRL, Italy
- Erikkila OY, Finland
- Harrington Hoists Inc, USA
- PWB Anchor Limited, Australia
- PWB Anchor Limited, Australia
- Siam Kito Company Limited, Thailand

Key Management Personnel (KMP)

- Mr. Preet H. Heri, Managing Director
- Mr. Hiroshi Kobata, Director (resigned on May 25, 2022)\*
- Mr. Kazuishi Kaneko, Director (w.e.f. July 6, 2021)\*

Post employment benefit plan

- Armsel (Bangalore) Employees' Group Gratuity Scheme

\* No transactions with these directors during the current and previous period

(iii) Details of related party transactions during the period ended December 31, 2023 and balances outstanding as at December 31, 2023:

Nature of transaction	Holding Company		Fellow Subsidiaries		Key Managerial Personnel		Total	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
<b>Transactions during the year</b>								
<b>Purchase of Goods:</b>								
Kito Corporation	228,620	199,425	-	-	-	-	228,620	199,425
SIAM Kito Company Ltd	-	-	-	551	-	-	-	551
Kito Chain Italia SRL	-	-	365.10	12,802	-	-	365	12,802
Harrington Hoists Inc	-	-	-	-	-	-	-	-
Kito Europe GmbH	-	-	371	-	-	-	371	-
Erikkila OY	-	-	10,746	7,407	-	-	10,746	7,407
Kito Hoists & Cranes (Shanghai) Co Ltd	-	-	118	-	-	-	118	-
<b>Expenses Reimbursed to :</b>								
Kito Corporation	2,539	2,896	-	-	-	-	2,539	2,896
<b>Services Received- Technical fee :</b>								
Kito Corporation	310	-	-	-	-	-	310	-
<b>Managerial Remuneration*</b>								
Mr. Preet Heri	-	-	-	-	11,008	7,257	11,008	7,257
Mr. Hiroshi Kobata	-	-	-	-	-	1,163	-	1,163
<b>Rent free Accommodation :</b>								
Hiroshi Kobata	-	-	-	-	-	68	-	68
Nature of balance	Holding Company		Fellow Subsidiaries		Key Managerial Personnel		Total	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
<b>Balances as at year end</b>								
<b>Trade Payables:</b>								
Kito Corporation	-	63,574	-	-	-	-	-	63,574
<b>Employees benefits payable:</b>								
Preet H. Heri	4,248	1,382	-	-	-	-	4,248	1,382

Note:

- Remuneration paid to KMP includes perquisites evaluated as per Income tax rules and excludes provision for/contribution to gratuity and compensated absences, which are based on actuarial valuation done on an overall company basis.
- KMP do not exercise significant influence over the Gratuity Fund Trust of the Company.



**34 Discontinued operations**

On March 27, 2017, the Board of Directors of the Company had approved the plan of terminating the operations of crane manufacturing division through abandonment due to consistent losses incurred in crane manufacturing business.

**I Carrying value of assets and liabilities to be disposed / settled of as at December 31, 2023 are as follows:**

Particulars	As at December 31, 2023	As at March 31, 2023
<b>Property plant and equipment</b>		
Other non current assets	343	343
Trade receivables	-	687
Other current assets	165	83
<b>Total assets</b>	<b>508</b>	<b>1,113</b>
Trade payables	28	28
Short-term provisions		
<b>Total liabilities</b>	<b>28</b>	<b>28</b>
<b>Net Assets</b>	<b>480</b>	<b>1,085</b>

**II Profit / (Loss) before tax from discontinued operations**

Particulars	Note	As at December 31, 2023	As at March 31, 2023
Revenue from operations	i	-	292
Other income	ii	155	-
		<b>155</b>	<b>292</b>
Cost of materials consumed		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation		-	-
Other expenses		-	-
<b>Profit/(Loss) before tax</b>		<b>155</b>	<b>292</b>

**III Cash flows attributable to the discontinued operations**

Particulars	As at December 31, 2023	As at March 31, 2023
Operating activities	760	(30)
Investing activities	-	-
Financing activities	-	-

	As at December 31, 2023	Year ended March 31, 2023
<b>i Revenue from operations</b>		
Sale of products	-	-
Sale of services		
- Maintenance services	-	292
	<b>-</b>	<b>292</b>
<b>ii Other income</b>		
Bad debts recovered from customers	155	-
Miscellaneous income	-	-
	<b>155</b>	<b>-</b>





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35 Employee benefits expense

(a) Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss

Provident fund paid to authorities

Employee State Insurance paid to authorities

	For the period ended December 31, 2023	For the year ended March 31, 2023
Provident fund paid to authorities	495	598
Employee State Insurance paid to authorities	7	4
	<b>502</b>	<b>602</b>

(b) Defined Benefit Plan

**Gratuity:** The Company operates a gratuity plan through the "Armsel (Bangalore) Employees' Group Gratuity Scheme". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 and amendments thereto. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Present value of defined benefit obligation	For the period ended December 31, 2023	For the year ended March 31, 2023
Balance at the beginning of the period	4,749	3,780
Current service cost	452	482
Interest cost	263	282
Benefits paid	-	-
Past service costs	-	-
Actuarial (gain) / loss	293	206
Actuarial (gain) / loss on obligation		
<b>Balance at the end of the period</b>	<b>5,756</b>	<b>4,749</b>

Fair value of plan assets	For the period ended December 31, 2023	For the year ended March 31, 2023
Balance at the beginning of the period	1,074	1,054
Employer direct benefit payments	145	-
Expected return on plan assets	59	79
Benefits paid	(145)	-
Actuarial gain / (loss)	30	(57)
<b>Balance at the end of the period</b>	<b>1,164</b>	<b>1,074</b>





Kito India Private Limited

(formerly, Armsel MHE Private Limited)

CIN: U74140KA1981PTC004248

Notes forming part of the financial statements for the period ended December 31, 2023

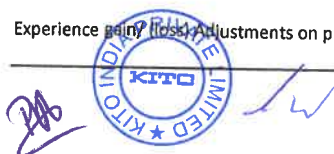
Assets and Liabilities recognised in the Balance Sheet	For the period ended December 31, 2023	As at March 31, 2023
Present value of the defined benefit obligations	5,757	4,750
Fair value of plan assets	(1,165)	(1,075)
<b>Amounts recognised as liability</b>	<b>4,592</b>	<b>3,674</b>
<b>Recognised under:</b>		
- Short term provisions (refer Note 7)	593	687
- Long term provisions (refer Note 4)	3,999	2,988

Expense recognised in the Statement of Profit and Loss	For the period ended December 31, 2023	For the year ended March 31, 2023
Current service cost	452	482
Interest on defined benefit obligation	263	283
Expected Return on Asset	(59)	(79)
Net actuarial (gain)/loss recognized in the period	263	263
<b>Total expense</b>	<b>917</b>	<b>949</b>

Amounts recognised in current period	For the period ended December 31, 2023	For the year ended March 31, 2023
Fair value of plan assets		
Present value of defined benefit obligations		
Experience adjustment on plan assets: Gain / (loss)		
Experience adjustment on plan liabilities: Gain / (loss)		

Principal assumptions used in determining gratuity obligation	For the period ended December 31, 2023	For the year ended March 31, 2023
Discount rate	7.46%	7.37%
Expected return on assets	7.37%	7.47%
Salary escalation rate	8.00%	8.00%
Attrition rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Amount recognised in current period and previous four years	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligation	5,756	4,749	3,781	3,595	3,342
Plan Assets	1,164	1,074	1,054	988	856
Surplus/ (Deficit)	(4,593)	(3,675)	(2,727)	(2,607)	(2,486)
Experience gain/ (loss) Adjustments on plan liabilities	492	154	236	(159)	198
Experience gain/ (loss) Adjustments on plan assets	30	(57)	(3)	73	42





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Notes forming part of the financial statements for the period ended December 31, 2023

Expected contribution to the funds in the next year	For the period ended December 31, 2023	For the year ended March 31, 2023
Gratuity	593	687

Category of Plan Assets	For the period ended December 31, 2023	For the year ended March 31, 2023
Insurer Managed fund	100%	100%

36 Earnings Per Share	Period ended December 31, 2023	Year ended March 31, 2023
Net profit after tax	116,580	80,446
Number of shares	375,550	375,550
Nominal value of shares	100	100
Basic Earnings per share (Rs.)	310.42	214.21

Note : There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares

37 The Finance Act, 2001 has introduced, with effect from Assessment Year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date for filing the return of income. For the fiscal year ended March 31, 2023, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the Accountant has been obtained and that did not envisage any tax liability.

### 38 Leases

The Company has entered into operating lease arrangements for office premises as well as residential accommodation for employees which ranges for a period between 11 months to 9 years. These leases are cancellable leases with an option of giving a notice of 3 months by either lessor or lessee. Further these leases are renewable for further period on mutually agreeable terms. The particulars of leases are as follows:

Lease payments recognised in the Statement of Profit and Loss	Period ended December 31, 2023	Year ended March 31, 2023
	4,487	5,953

### 39 Payment to auditors (excluding Goods and services tax and out of pocket expenses)

	Period ended December 31, 2023	Year ended March 31, 2023
Statutory audit fee	500	1,197
Statutory audit fee - Previous Auditor	23	-
Tax audit fee	100	-
	623	1,197



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Notes forming part of the financial statements for the period ended December 31, 2023

40 Trade Payables ageing schedule

As at December 31, 2023

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
- MSME	-	894	-	-	-	-	894
- Others	3,146	45,270	-	-	-	-	48,416
<b>Disputed Trade Payables</b>							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	<b>3,146</b>	<b>46,164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,310</b>

As at March 31, 2023

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
- MSME	-	-	97	-	-	-	97
- Others	3,214	65,722	1,920	-	185	-	71,041
<b>Disputed Trade Payables</b>							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	<b>3,214</b>	<b>65,722</b>	<b>2,017</b>	<b>-</b>	<b>185</b>	<b>-</b>	<b>71,138</b>





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Notes forming part of the financial statements for the period ended December 31, 2023

41 Trade receivables ageing schedule

As at December 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
- considered good	49,845	5,090	2,719	-	-	-	57,653
- considered doubtful	-	-	-	-	-	19,884	19,884
<b>Disputed Trade Receivables</b>							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	-	-
	<b>49,845</b>	<b>5,090</b>				<b>19,884</b>	<b>77,537</b>

As at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
- considered good	19,818	28,184	69	269	-	-	48,340
- considered doubtful	-	-	-	-	-	9,643	9,643
<b>Disputed Trade Receivables</b>							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	-	-
	<b>19,818</b>	<b>28,184</b>		<b>269</b>		<b>9,643</b>	<b>57,983</b>

Note:

(a) Undisputed Trade receivables considered doubtful have been completely provided for.

## Notes forming part of the financial statements for the period ended December 31, 2023

## 42 Segment reporting

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of Hoist Business and Crane Business. Consequently, the geographical segment has been considered as a secondary segment.

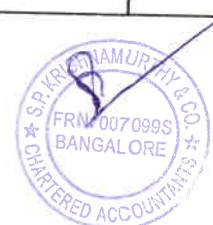
The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The business segment comprises of the following:

- i. Hoist business

A. Primary Segment	December 31, 2023			March 31, 2023		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
	Hoist	Crane		Hoist	Crane	
Revenue	415,563	0	415,563	334,594	292	334,886
Other operating income	561	155	716	334	0	334
<b>Total</b>	<b>416,124</b>	<b>155</b>	<b>416,279</b>	<b>334,928</b>	<b>292</b>	<b>335,220</b>
Segment result - segment in profit including interest income shown	97,555	155	97,710	57,500	292	57,792
Segment result - segment in loss	-	-	0	0	0	0
Interest income (disclosure)	6,028	0	6,028	5,257	0	5,257
<b>Profit before tax</b>	<b>97,555</b>	<b>155</b>	<b>97,710</b>	<b>57,500</b>	<b>292</b>	<b>57,792</b>
Tax expense	(18,870)	0	-18,870	-22,651	0	-22,651
<b>Profit after tax</b>	<b>116,425</b>	<b>155</b>	<b>116,580</b>	<b>80,153</b>	<b>292</b>	<b>80,445</b>
<b>Other information:</b>						
Segment assets	395,168	508	395,676	324,181	1,113	325,294
Segment liabilities	70,789	28	70,817	97,357	28	97,385
Unallocable corporate assets	-	-	42,902	0	0	23,270
Depreciation and amortisation included in segment expenses	1,291	-	1,291	1,511	0	1,511

B. Secondary Segment	December 31, 2023			March 31, 2023		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue by location of customers	414,169	1,394	415,563	334,821	65	334,886
Carrying amount of segment assets	438,578	0	438,578	348,564	0	348,564
Additions to tangible and intangible assets	6,243	0	6,243	2,172	0	2,172



**Kito India Private Limited**

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**Notes forming part of the financial statements for the period ended December 31, 2023**

43 There are no charges or satisfaction of charges, which are yet to be registered with Registrar of Companies beyond the statutory period.

**44 Additional regulatory information required by Schedule III**

- a) There are no capital work in progress and intangible assets under development as at December 31, 2023 and March 31, 2023 respectively.
- a) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions [Prohibition] Act, 1988) and the rules made thereunder.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company does not have any subsidiaries and hence compliance with Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules') is not applicable.
- d) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) 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
- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- g) The Company has no transactions or balances with the companies struck off under Companies Act, 2013 or the Companies Act, 1956.
- h) The Company has not entered into any scheme(s) of arrangements.
- i) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the period.
- j) The Company has neither traded nor invested in cryptocurrency or virtual currency during the financial period ended December 31, 2023 and March 31, 2023 respectively. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in cryptocurrency or virtual currency.
- k) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or prior period
- l) The Company does not hold any immovable properties. Also, there are no immovable properties which are not held in the name of the Company.
- m) The Company has not availed any loans from banks and financial institutions during the period.
- n) There are no loans or advances in the nature of loans granted to promoters, directors, key management personnel and the related entities.



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Notes forming part of the financial statements for the period ended December 31, 2023

45. Analytical Ratios

Particulars	Numerator/Denominator	December 31, 2023	March 31, 2023	% Variance	Reasons for Variance (more than 25% Variance)
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	5.60	3.31	228.39%	Accumulated profit are not distributed by way of dividend and held in current assets , hence current ratio is increased.
(b) Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Shareholders' Equity}}$	-	-	0.00%	Not Applicable
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Debt Service Interest + Principal repayments}}$	-	-	0.00%	Not Applicable
(d) Return on Equity Ratio	$\frac{\text{Net Profit after Tax (including discontinued operations)}}{\text{Average Shareholders' Equity}}$	0.09418	0.16013	-6.60%	Not applicable as the variance is less than 25%.
(e) Inventory turnover ratio	$\frac{\text{Net credit sales}}{\text{Average Inventories}}$	2.91	3.36	-45.14%	There is decrease in inventory holding period
(f) Trade Receivables turnover ratio	$\frac{\text{Net credit sales}}{\text{Average Receivables}}$	7.84	8.87	-102.60%	There is decrease in debtors collection period
(g) Trade payables turnover ratio	$\frac{\text{Purchases}}{\text{Average Payables}}$	4.67	4.77	-9.89%	Not applicable as the variance is less than 25%.
(h) Net capital turnover ratio	$\frac{\text{Net sales}}{\text{Working Capital}}$	1.39	1.57	-17.92%	Not applicable as the variance is less than 25%.
(i) Net profit ratio	$\frac{\text{Net Profit after taxes (including discontinued operations)}}{\text{Net sales}}$	0.28	0.24	3.97%	Not applicable as the variance is less than 25%.
(j) Return on Capital employed	$\frac{\text{Earnings before interest and taxes}}{\text{Capital Employed}}$	0.27	0.23	3.68%	Not applicable as the variance is less than 25%.
(k) Return on investment	$\frac{\text{Earnings before interest and taxes}}{\text{Average total assets}}$	0.25	0.20	4.63%	Not applicable as the variance is less than 25%.





**Kito India Private Limited**

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**Notes forming part of the financial statements for the period ended December 31, 2023**

- 46 The provisions of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are applicable to the Company during the current year and the company has following the relevent provisions in this regard.
- 47 The Company has reclassified comparative amounts to confirm with current year presentation, as summarised below:
- 48 The Company does not own any immovable properties (Refer Note 8A).

**For S. P. Krishnamurthy & Co**  
**Chartered Accountants**  
**Firm Registration Number: 007099S**

**(S. P. Krishnamurthy)**  
**Partner**  
**Membership Number: 200963**  
**Place: Bengaluru**  
**Date: January 30, 2024**



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

**Preet H Heri**  
**Managing Director**  
**DIN: 00215187**  
**Place: Bengaluru**  
**Date: January 30, 2024**

**Kazuishi Kaneko**  
**Director**  
**DIN: 06389931**  
**Place: Narshino, Japan**  
**Date: January 30, 2024**

