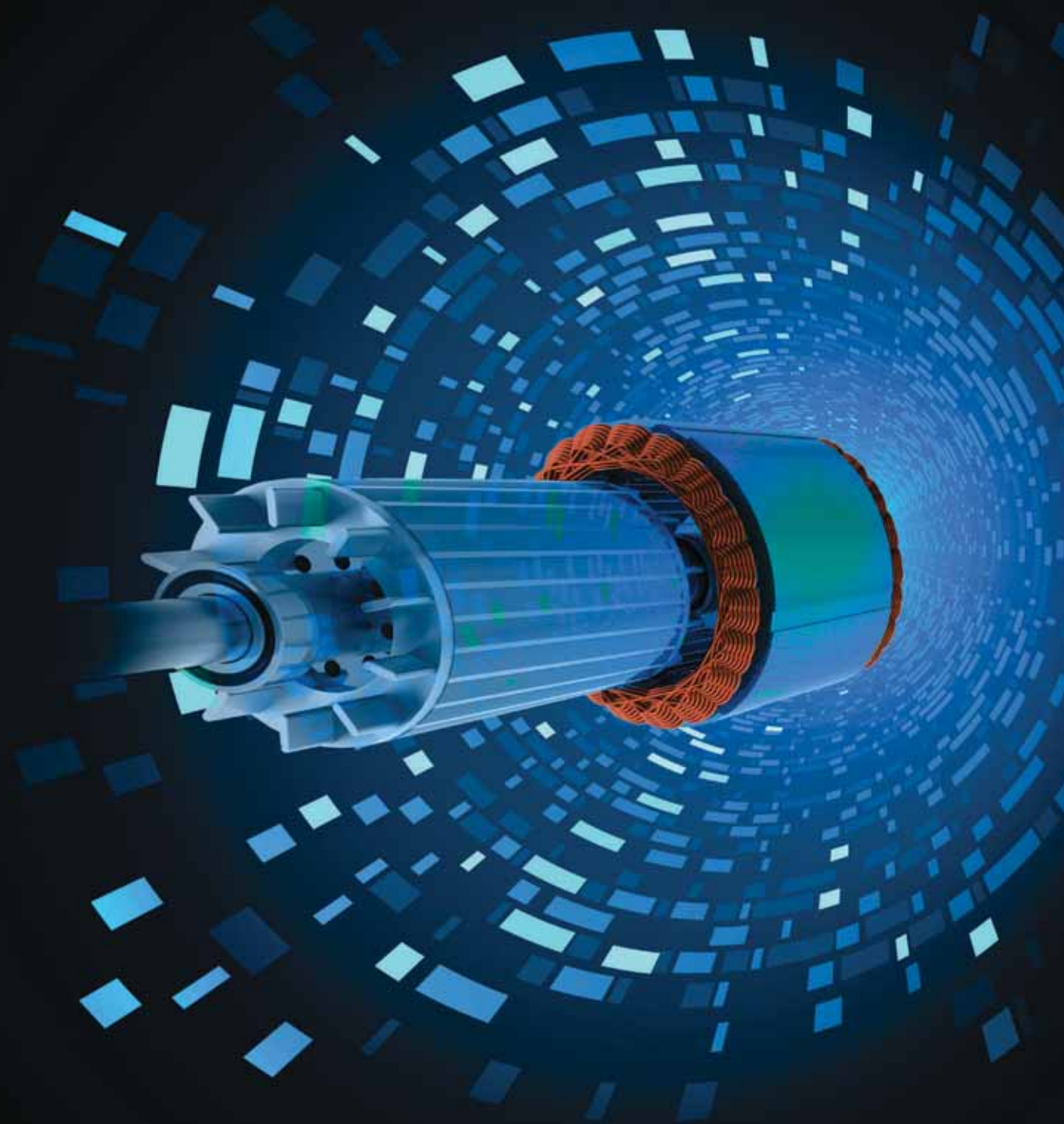


ANNUAL REPORT 2023-2024

**SPINNING INNOVATION
WITH EVERY ROTATION**



KARAD PROJECTS AND MOTORS LIMITED

KPML – New Products Developed



Pump developed for Healthcare Application



**Frame Reduction Motors-15nos
model developed from
5.5 KW to 90 KW**



**Escalator Motor 18.5 KW
6P model developed**



**17nos Stator & Rotor models
developed in IE4**



**5 nos Stators models developed
for healthcare applications**



**GKW Drive Unit
Developed for KOV**



**Neo-I Motors developed for Pump
application in 1phase 4 ratings -
0.5 /1 /1.5 /2Hp**

Annual Report for the financial year ended on 31st March 2024

BOARD OF DIRECTORS

Mr. K. Taranath	-	Chairman
Mr. Ravindra R. Samant	-	Managing Director
Ms. Rama S. Kirloskar	-	Director
Mr. Chittaranjan M. Mate	-	Director
Ms. Manjiri Jawadekar	-	Director

CHIEF FINANCIAL OFFICER

Mr. Ananta Charan Das	w.e.f. July 17, 2023
Mr. Vijaykumar V. Kulkarni	upto July 17, 2023

COMPANY SECRETARY

Ms. Anuja Laturkar

AUDITORS

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan
227 Nariman Point
Mumbai - 400 021

BANKERS

HDFC Bank Limited

REGISTERED OFFICE

Plot B-67 & 68, MIDC Karad Industrial Area,
Tasawade, Karad - 415 109
E-mail: enquiry@kpml.co.in
Website: www.kpml.co.in
CIN : U45203PN200IPLC149623

WORKS/DIVISIONS

Motor Division: Plot B-67 & 68,
MIDC Karad Industrial Area,
Tasawade, Karad - 415 109

Stamping Division: Plot D-2 & D-2/1,
MIDC Karad Industrial Area,
Tasawade, Karad - 415 109

Component Division: 775/B, Plot No. 11,
Karad Dhebewadi Road,
Wing - 415 122

Information for shareholders

Annual General Meeting		
Day & date	:	Tuesday, 16 th July 2024
Time	:	11.00 AM.
Venue	:	Registered Office, Plot B-67 & 68, MIDC Karad Industrial Area, Tasawade, Karad - 415 109

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BOARD'S REPORT

The Members
Karad Projects and Motors Limited
Karad

Your directors present the **Twenty-Third Annual Report** and Audited Financial Statements of the Company for the year ended March 31, 2024.

1. FINANCIAL PERFORMANCE

The financial results of the Company for the year 2023-24 as compared with the previous year are as under:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	50,649.07	51,506.43
Other Income	2,213.73	952.43
Total	52,862.80	52,458.86
Less - Depreciation	701.24	570.19
Finance Costs	45.56	16.22
Other Expenses	45,335.67	45,995.21
Exceptional Items (income)	(656.96)	-
Profit / (Loss) before tax	7,437.29	5,877.24
Total Tax Expenses	2,140.44	1,722.39
Profit / (Loss) after tax	5,296.85	4,154.85
Other Comprehensive Income (Expenses)	(15.04)	7.77
Total Comprehensive Income for the year	5,281.81	4,162.62
Amount Transferred to General Reserve	Nil	Nil

2. STATEMENT OF AFFAIRS:

During the year, the total revenue from operations of the Company is Rs.50,649.07 lakhs which is lower by Rs. 857.35 lakhs than previous year. This decrease in revenue is observed mainly due to price reduction on account of competitive market conditions.

3. DIVIDEND:

During the Financial Year 2023-24, your directors have declared and paid an interim dividend @ 80% i.e. Rs. 8 per share (PY @ 68% as Interim Dividend) on outstanding share capital of Rs. 13,95,24,500/-.

Further your Board has not proposed any final dividend for the year ended March 31, 2024 (PY @ 32% as Final Dividend).

STATUTORY DISCLOSURES**4. ANNUAL RETURN:**

As per provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 (the Act), the Annual Return of the Company is placed on the website of the Company at <https://www.kpml.co.in/aboutus.php?id=38>.

5. BOARD MEETINGS:

During the Financial year 2023-24, six Board Meetings were held:

- 20th April 2023
- 17th July 2023
- 18th September 2023

- iv) 16th October 2023
- v) 16th January 2024
- vi) 16th February 2024

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors reports that;

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) the directors have 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 of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company, wherever required, and that such internal financial controls are adequate and were operating effectively;
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note Nos. 5, 7 & 50 of the Financial Statements.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Disclosure relating to the particulars of contract or arrangement with related parties referred in sub-section (1) of Section 188 is as below:

- i. Details of contracts or arrangements or transactions not at arm's length basis: All the transactions with related parties are at arm's length.
- ii. Details of material contracts or arrangement or transactions at arm's length basis:

A	Name(s) of the related party and nature of relationship	Kirloskar Brothers Limited - Holding company
B	Nature of contracts / arrangements / transactions	Sale / Purchase of goods and rendering / receiving services
C	Duration of the contracts / arrangements / transactions	Ongoing / On monthly basis
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions with related parties for the year ended March 31, 2024 are attached to the Notes to accounts of the Financial Statement
E	Date(s) of approval by the Board, if any	As all the transactions are in ordinary course of business and at arm's length, Board approval was not required
F	Amount paid as advances, if any	Nil

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given as Annexure I to this report.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION AFTER THE END OF FINANCIAL YEAR:

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

KARAD PROJECTS AND MOTORS LIMITED

11. BUSINESS RISK MANAGEMENT:

The Company has formulated a Risk Management System and constituted a Risk Management Committee. Senior management team periodically reviews the working conditions affecting the Company and reports the same to the Board. Total 6 meetings were held during the year under review. In the opinion of the Board, none of the identified risks threaten the existence of the Company

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Ms. Rama Kirloskar (DIN 07474724), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Ravindra Samant (DIN 07002226), whose tenure as Managing Director ended on October 31, 2023, was re-appointed as Managing Director and consequently as a Key Managerial Personnel pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013, for a period of 3 years from November 1, 2023 to October 31, 2026 subject to approval by members at the general meeting. The matter has been included in the Notice calling the Annual General Meeting for approval of the members of the Company.

Mr. Ananta Charan Das was appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) on July 17, 2023 in place of Mr. Vijaykumar Kulkarni, who resigned as CFO and KMP.

13. PARTICULARS OF EMPLOYEES:

The information as prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company, being an unlisted company.

14. DISCLOSURE ON SECRETARIAL STANDARDS:

The Directors confirm that the Company has complied with the relevant Secretarial Standards.

15. CORPORATE SOCIAL RESPONSIBILITY:

Details of Corporate Social Responsibility covered under the provisions of Section 135 of the Companies Act, 2013 are attached in this regard in Annexure II.

16. DEPOSITS:

The Company has not accepted any deposits from public as covered under Chapter V of the Companies Act, 2013 and as such, the information relating to deposits is not applicable.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

Your directors wish to state that there are no such orders passed that will impact Company's going concern status and operations in future.

18. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

The Company has an Internal Financial Control System which is commensurate with the size, scale, nature and complexity of its operations. Corporate Internal Audit Department of Kirloskar Brothers Limited and KPMG are Internal Auditors of the Company for the period under review. Significant audit observations and corrective actions thereon are presented to the Board. Based on the report of Internal Auditors, the Company undertakes corrective actions and further strengthens the controls, as and when required.

19. HOLDING COMPANY:

Kirloskar Brothers Limited is holding 100% paid up share capital of the Company.

20. AUDITORS:

Sharp and Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) were appointed as Statutory Auditors of the Company for the first term of 5 years at the 22nd Annual General Meeting of the Company held on July 17, 2023 till the conclusion of 27th Annual General Meeting of the Company to be held in calendar year 2028.

Parkhi Limaye & Co. (Firm Registration No. 191) were appointed as Cost Accountant as per Section 148 of the Companies Act, 2013, read with applicable rules made thereunder for the Financial Year 2023-24.

Parkhi Limaye & Co. (Firm Registration No. 191) have been appointed as Cost Accountant as per Section 148 of the Act, read with applicable rules made thereunder for the Financial Year 2024-25. Their remuneration is subject to approval by the shareholders at the ensuing Annual General Meeting.

Your Company is required to maintain the Cost Records as required under section 148(1) of the Companies Act, 2013 and accordingly such records are maintained by the Company for the year ended March 31, 2024.

21. QUALIFICATIONS OR ADVERSE REMARKS OR DISCLAIMERS IN AUDIT REPORT:

During the Financial Year under review, there are no qualifications or adverse remarks or disclaimers made by the Statutory Auditors of the Company in their Audit Report.

22. REPORTING ON FRAUDS BY AUDITORS:

During the year under review, no frauds were reported by the Auditors of the Company.

23. SECRETARIAL AUDITORS:

Mr. Yogesh Kandalgaoonkar (FCS No. 6197, CP No. 20316), Practicing Company Secretary has been appointed as a Secretarial Auditor as per Section 204 of the Act, 2013 for the Financial Year 2023-24 in place of Dakhawe Apte & Associates (UCN P2022MH090400) due to vacancy caused on account of death of their partner.

During the Financial Year under review, there were no qualifications or adverse remarks or disclaimers made by the Secretarial Auditor of the Company in his Report which is annexed as an Annexure III.

24. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

NIL. The Company does not have any subsidiary, joint venture or associate company.

25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2024:

No. of Complaints received in the year	Nil
No. of complaints disposed off in the year	Nil
Cases pending for more than 90 days	Nil
No. of workshops and awareness programmes conducted in the year	04
Nature of action by employer or District Officer, if any	Nil

26. DETAILS OF APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

Not Applicable

KARAD PROJECTS AND MOTORS LIMITED

27. DETAILS ON ONE TIME SETTLEMENT:

Not Applicable

28. ACKNOWLEDGMENT

Your directors wish to place on record their appreciation for the co-operation given by the banks and Kirloskar Brothers Limited, the holding company, for their extended support and also to vendors and contractors of the Company, for their valuable support extended to the Company from time to time. Your Directors would further like to record their appreciation for the sincere efforts of every employee and their contribution in the Company's progress.

For and on behalf of the Board of Directors
of Karad Projects And Motors Limited

Place: Pune

Date: April 22, 2024

K. Taranath
Chairman
(DIN 00051697)

Ravindra Samant
Managing Director
(DIN 07002226)

ANNEXURE I

The report on conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8(3) of the Companies (Accounts) Rules, 2014:

(A) Conservation of energy :

(i) The steps taken or impact on conservation of energy:

1. Thyristor based control panel installed for decarb furnace. Expecting approx. 10% saving in consumption in Stamping division.
2. Applied & received approval for reduction in contract demand from MSEDCL (Reduced from 1550 KVA to 1200 KVA).
3. Replacement of IE2 motors by IE3, IE4 & IE5 motors on various machines in Stamping division.
4. Energy conservation due to atlas BLDC motor air compressor and VFD for center facing in Component division.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Additional solar panels of 100 KW installed at Stamping division.

(iii) The capital investment on energy conservation equipment: Rs. 67 Lakh

(B) Technology absorption: NA

(i) The efforts made towards technology absorption: -

(ii) Benefits derived: -

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): -

(a) The details of technology imported: -

(b) The year of import: -

(c) Whether the technology been fully absorbed: -

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -

(iv) Expenditure incurred on Research and Development: Rs. 142.14 lakhs

(C) Foreign exchange earnings and Outgo Rs. In Lakhs

Foreign Exchange earned in terms of actual inflows during the year: 1148.77

Foreign Exchange outgo during the year in terms of actual outflows: 1263.45

For and on behalf of the Board of Directors
of Karad Projects And Motors Limited

Place: Pune
Date: April 22, 2024

K. Taranath
Chairman
(DIN 00051697)

Ravindra Samant
Managing Director
(DIN 07002226)

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has CSR policy duly approved by the Board of Directors with a view to provide a mechanism for meeting its social responsibility in an effective manner and to provide optimum benefits to various deserving sections in surrounding rural area. While implementing such CSR activities, the Company is following guidelines laid down by Kirloskar Brothers Limited. The focus of its CSR has been primarily in the area of Education, Health, Environment & other eligible activities as provided in the provisions of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during of the year	Number of meetings of CSR Committee attended during the year
1	Mr. K Taranath	Chairman	2	2
2	Mr. Ravindra Samant	Member	2	2
3	Mr. Chittaranjan Mate	Member	2	1

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : https://www.kpml.co.in/aboutus.php?id=38			
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not applicable. As the average CSR obligation of the Company, in the three immediately preceding financial years, is less than INR 10 Crores.		
5	Details of the amount available for set off in pursuance of sub- rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	Not Applicable		

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
	Not Applicable		

5.	(a)	Average net profit of the company as per Section 135(5) of the Companies Act, 2013, (the Act')	Rs. 44,40,71,730
	(b)	Two percent of average net profit of the Company as per Section 135(5) of the Act	Rs. 88,81,435
	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d)	Amount required to be set off for the financial year, if any	Rs. 17,54,088
	(e)	Total CSR obligation for the financial year (7a + 7b – 7c)	Rs. 71,27,347

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 71,36,693
	(b)	Amount spent in Administrative Overheads	0
	(c)	Amount spent on Impact Assessment, if applicable	0
	(d)	Total amount spent for the Financial Year [(a) + (b) + (c)]	Rs. 71,36,693
	(e)	CSR amount spent or unspent for the financial year	

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of section 135 6		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
71,36,693	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any – Rs. 9,346/-

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per Section 135(5)	Rs. 88,81,435
ii.	Total amount spent for the Financial Year	Rs. 88,90,781
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 9,346
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 9,346

7. Details of Unspent CSR amount for the preceding three financial years: Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Subsection (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount in Rs. Date of transfer		
1	FY-1						
2	FY-2						
3	FY-3						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: -

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	Not Applicable
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Ravindra Samant
Managing Director
(DIN 07002226)

K. Taranath
Chairman CSR Committee
(DIN 00051697)

Place: Pune

Date: April 22, 2024

ANNEXURE III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Karad Projects and Motors Limited,
Plot No. B-67/68, MIDC, Karad Industrial Area,
Tasawade, Satara, Karad - 415109

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Karad Projects and Motors Limited (CIN: U45203PN2001PLC149623)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (during the year under review not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialized form);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client (during the year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under review not applicable to the Company as the Company has not done delisting of shares);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company).
- (vi) As informed to me, no other law(s) is applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

I have not examined compliance with the applicable clauses of the following since it is not applicable to the Company during the period under review as the Company is an unlisted Company:

- (i) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the period under review. Being an unlisted public company, which is a wholly owned subsidiary, appointment of independent directors is exempted.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records provided by the Company, none of the members of the Board or Committees of the Board dissented on any resolution(s) passed at the meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

There were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

Yogesh Kandalgaonkar
Company Secretary

FCS No. 6197, C.P. No. 20316

Unique Document Identification Number (UDIN): F006197F000203196

Peer Review Certificate Number: 2620/2022

Place: Pune

Date: April 22, 2024

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report

Annexure to the Secretarial Audit Report

To,
The Members,
Karad Projects and Motors Limited,
Plot No. B-67/68, MIDC, Karad Industrial Area,
Tasawade, Satara, Karad - 415109

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yogesh Kandalgaonkar
Company Secretary

FCS No. 6197, C.P. No. 20316
Unique Document Identification Number (UDIN): F006197F000203196
Peer Review Certificate Number: 2620/2022

Place: Pune
Date: April 22, 2024

Inauguration



Inauguration of New Design Centre Office – 'Avinya' at Stamping Division

Customer Visits



Government Agency – IOCL
(Indian Oil Corporation Limited)

Montanari ▶



Customer Visits



ATVP & BARC Officials



SPP Pumps Ltd – UK

Major Capex



Introduction of Laser welding Machine with Robotic arm & Laser printing Machine



Installation of 100kw Roof Top Solar System at Stamping Division

Major Capex



Auto Cleating Machine at Stamping Division



STP 50 KLD Capacity & ETP 2.5 KLD Capacity installed
at Stamping Division to reuse waste water for plantation

Other Improvements



▲ Installation of Scrap handling conveyor at Stamping Division ▼



2) Quality of Treated Effluent (specify the relevant pollutant)

Particulars	Control Standard	Actual
pH	6.5 to 9.0	7.45
TSS	100 mg/litres	63.9
TDS	2100 mg/litres	856
BOD-3 Days 27°C	30 mg/litres	20.2

Installation of 'LED Digital Display Board' for Environmental information

Firefighting Training



CSR Activities



KS6 Series Borewell Submersible Pump donated under CSR activity to Talbid Village, Karad to meet the Village drinking Water Problem



Donated Competitive Exam books to Library at Ghonshi

CSR Activities

Talbid - Varade Road Work



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KARAD PROJECTS AND MOTORS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Karad Projects and Motors Limited** (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the financial statements and auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the financial statements and our auditor's 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's responsibilities for the financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

KARAD PROJECTS AND MOTORS LIMITED

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 responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the 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:

- A. 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.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.

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

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

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

Other Matter

The financial statements include financial statements for the year ended 31 March 2023 which were audited by the predecessor auditor and they had expressed an unmodified audit opinion thereon vide their report dated 20 April, 2023.

Our opinion is not modified in respect of this other matter.

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 Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - refer note 28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
 - iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 49(a), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 49(b), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes. During the course of our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with.

Further, the Company uses services of a third-party service provider for salary processing and in the absence of Service Organisation Control Type 2 Report/ISAE 3402, "Assurance Reports on Control at a Service Organisation", specifically covering the maintenance of audit trail, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with. (Refer note 48 to the financial statements)

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

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration no. 109983W

by the hand of

CA Pramod Bhise

Partner

Membership no.(F) 047751

UDIN:24047751BKAARM4802

Pune, 22 April 2024

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i)
 - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company is maintaining proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
 - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii)
 - (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.
 - (b) The company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the unaudited books of account of the Company. Further it was explained that the compilation of quarterly return for March 2024 was under process.
- (iii) The Company has not made any investments in, provided any guarantee or security, or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year, except as mentioned below:
 - (a) The Company has provided an unsecured loan to its fellow subsidiary. Details of loan provided are as follows (also refer note 50 for details):

Particulars	Unsecured Loan	
	Provided during the year	Balance outstanding as at 31 Mar 2024
Aggregate amount during the year		
(A) Fellow subsidiary	NIL	₹ 250 Lakhs
(B) other than subsidiaries, joint ventures, and associates	NIL	NIL

- (b) The unsecured loan given to The Kolhapur Steel Limited (TKSL) does not have terms and conditions that are prejudicial to the Company's interest.
- (c) The schedule of repayment of principal and payment of interest has been stipulated for loan given to TKSL during the financial year 2022-23 and repayment of interest and principal [except as disclosed in paragraph 3(iii)(e)] are regular.
- (d) No amount is overdue for more than ninety days. Accordingly, the reporting under para 3(iii)d is not applicable.
- (e) During the year loan aggregating to ₹ 250 Lakhs fell due from fellow subsidiary. The details of such loan that fell due and extended during the year are stated below:

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Name of the party	Aggregate amount of existing loan extended	Percentage of the aggregate to the total loans or advances granted during the year
TKSL (fellow subsidiary) due on 29 September 2023 extended to 28 September 2024 (interest rate remains unchanged at 9.50%)	₹ 250 Lakhs	-

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with provisions of sections 185 and 186 in respect of loan provided by it.
- (v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, prima facie; the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. There are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable except disclosed as below:

Name of Statute	Nature of dues	Amount ₹ Lakhs	Period to which the amount relates	Due Date	Remarks if any
Employee State Insurance Corporation Act, 1948	(Contribution of employer and employee)	0.07	2021-22	15-10-2021	-
Local Sales Tax of Various States	VAT	23.11	2007-08, 2008-09		Reconciliation is under process and will get crystalized on their respective assessments
		7.70	2007-08, 2009-10 & 2010-11		
		14.80	2010-11 to 2015-16 & 2018-19		

- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2024, on account of dispute are given below:

Name of Statute	Nature of dues	Amount involved ₹ Lakhs	Amount unpaid ₹ Lakhs	Period to which amount Relates	Forum where Dispute is Pending
Gujrat VAT	Sales Tax, CST, VAT, WCT	53.28	53.28	2006-07	Dy. Comm. Sales Tax Appeals
UP VAT	(including interest, penalty etc. if any)	291.58	291.58	2011-12, to 2014-15	Addl. Comm. Sales Tax Appeals
Central Excise Act, 1944	(Tax including interest, penalty etc. if any)	19.00	12.36	2007-08	CESTAT
The Income Tax Act, 1961	(Tax including interest, penalty etc. if any)	23.60	23.60	2017- 18, 2018-19, 2021-22	Dy. Comm Income Tax
Total		387.46	380.82		

- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) We report that the Company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) No additional term loans availed by the Company during the year, Accordingly, reporting under para 3(ix)(c) is not applicable.
- (d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable .
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.(Refer note 34 to the standalone financial statement.)
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.
- (xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.
- (d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.
- (xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting on para 3(xvii) of the order is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.

KARAD PROJECTS AND MOTORS LIMITED

- (xix) 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 plans and based on our examination of the evidence supporting the assumptions, 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 and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects which required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.
- (xxi) The Company does not have subsidiary, associate or joint venture hence is not required to prepare consolidated financial statements. Accordingly, reporting on paragraph 3(xxi) of the Order is not applicable

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration no. 109983W

by the hand of

CA Pramod Bhise

Partner

Membership no.(F) 047751

UDIN: 24047751BKAARM4802

Pune, 22 April 2024

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls over financial reporting of Karad Projects and Motors Limited (hereinafter referred as "the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 24047751BKAARM4802

KARAD PROJECTS AND MOTORS LIMITED**BALANCE SHEET AS AT MARCH 31, 2024**

(INR in Lakhs)

Particulars	Note No.	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,492.25	3,354.41
Capital work-in-progress	3	39.86	3.75
Other intangible assets	3	89.19	3.21
Intangible assets under development	3	-	63.08
Right to use assets	4	185.27	-
Financial assets			
Investments	5	1,500.05	200.05
Others financial assets	8	90.05	504.35
Deferred tax assets (net)	9	209.75	415.14
Other non-current assets	10	143.93	371.40
Total non-current assets		5,750.35	4,915.39
Current assets			
Inventories	11	3,905.58	3,585.34
Financial assets			
Investments	5	6,651.23	3,300.00
Trade receivables	6	12,987.24	10,203.39
Cash and cash equivalents	12A	607.60	2,628.01
Other bank balances	12B	2,367.75	2,996.26
Loans	7	250.00	1,600.00
Others financial assets	8	360.82	92.99
Current tax assets (net)	9	526.32	573.42
Other current assets	10	260.64	462.90
Total current assets		27,917.18	25,442.31
TOTAL ASSETS		33,667.53	30,357.70
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,395.25	1,395.25
Other equity	14	22,197.60	18,478.45
Total equity		23,592.85	19,873.70
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	17	310.00	235.00
Lease liabilities	47	136.09	-
Provisions	18	568.90	1,850.49
Total non-current liabilities		1,014.99	2,085.49
Current liabilities			
Financial liabilities			
Borrowings	15	-	-
Lease liabilities	47	41.11	-
Trade payables	16		
(A) Total outstanding dues of micro enterprises and small enterprises; and		972.10	53.04
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,464.48	4,732.45
Other financial liabilities	17	664.99	668.44
Other current liabilities	19	431.19	636.77
Provisions	18	1,485.82	2,307.81
Total current liabilities		9,059.69	8,398.51
Total liabilities		10,074.68	10,484.00
TOTAL EQUITY AND LIABILITIES		33,667.53	30,357.70

Corporate information

1

Summary of material accounting policies

2

See accompanying notes to financial statements

3-52

The accompanying notes 1 to 52 form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants

(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune : 22 April 2024

For and on behalf of the Board of Directors

K. TARANATH

Chairman

(DIN:00051697)

RAVINDRA SAMANT

Managing Director

(DIN: 07002226)

ANANTA DAS

Chief Financial Officer

ANUJA LATURKAR

Company Secretary

Pune : 22 April 2024

Statement of profit and loss for the period ended March 31, 2024

(INR in Lakhs)

Particulars	Note No.	For the year 2023-24	For the year 2022-23
Income			
Revenue from operations	20	50,649.07	51,506.43
Other income	21	2,213.73	952.43
Total Income		52,862.80	52,458.86
Expenses			
Cost of materials consumed	22A	36,779.63	36,921.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22B	213.43	1,030.30
Employee benefits expense	23	2,479.75	2,317.56
Finance costs	24	45.56	16.22
Depreciation and amortization expenses	25	701.24	570.19
Other expenses	26	5,862.86	5,725.65
Total expenses		46,082.47	46,581.62
Profit before exceptional items and tax		6,780.33	5,877.24
Exceptional items (Income)		(656.96)	-
Profit before tax		7,437.29	5,877.24
Tax expenses	9		
(1) Current tax		1,930.00	1,010.00
(2) MAT entitlement utilized/reversed for earlier years		192.36	639.81
(3) Deferred tax		18.08	72.58
Total Tax expense		2,140.44	1,722.39
Profit after tax for the year		5,296.85	4,154.85
Other comprehensive income	27		
Items that will not be reclassified to profit or (loss)		(20.10)	10.96
Income tax relating to items that will not be reclassified to profit or (loss)		5.06	(3.19)
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		(15.04)	7.77
Total comprehensive income for the year (comprising of profit for the year and other comprehensive income for the year)		5,281.81	4,162.62
Earnings per equity share	31		
(1) Basic		37.96	29.78
(2) Diluted		37.96	29.78

Corporate information 1
Summary of material accounting policies 2
See accompanying notes to financial statements 3-52
The accompanying notes 1 to 52 form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner
Membership No: (F) - 047751

Pune : 22 April 2024

K. TARANATH

Chairman
(DIN:00051697)

ANANTA DAS

Chief Financial Officer

Pune : 22 April 2024

RAVINDRA SAMANT

Managing Director
(DIN: 07002226)

ANUJA LATURKAR

Company Secretary

Statement of cash flow for the period ended 31st March 2024 (Indirect Method)

(INR in Lakhs)

Particulars	31 March 2024	31 March 2023
A. Cash flow from operating activities		
Net profit before tax	7,437.29	5,877.24
Adjustments for:		
1 Loss / (profit) on sale of property, plant and equipment-(net)	(10.16)	(3.56)
2 Bad Debts / Provision for doubtful debts and advances (net)	48.78	65.62
3 Excess provision / creditors written back (including advances)	(1,342.07)	(446.68)
4 Unrealised foreign exchange (gain) / loss (net)	1.71	4.09
5 Profit on sales of mutual fund	(54.70)	-
6 Depreciation and amortisation	701.24	570.19
7 Interest earned	(788.91)	(440.00)
8 Unrealised (gain) / loss on mutual fund investments	(1.23)	-
9 Dividend received	(0.00)	(0.00)
10 Finance cost	45.56	16.21
Operating profit before working capital changes	6,037.52	5,643.12
Adjustments for :-		
Changes in working capital		
1 (Increase) /decrease in trade receivables	(2,834.35)	(252.52)
2 (Increase)/decrease in inventories	(320.24)	979.06
3 (Increase)/decrease in other non-current assets	227.47	93.46
4 (Increase)/decrease in non-current financial assets-others	414.30	5.26
5 (Increase)/decrease in current financial assets-others	(267.83)	(11.77)
6 (Increase)/decrease in other current assets	202.26	(22.20)
7 Increase/(decrease) in other non current financial liabilities	211.09	-
8 Increase/(decrease) in trade payables	1,651.09	(801.16)
9 Increase/(decrease) in other current financial liabilities	37.66	(128.31)
10 Increase/(decrease) in other current liabilities	(205.58)	178.16
11 Increase/(decrease) in long term provisions	60.48	14.75
12 Increase/(decrease) in short term provisions	(842.09)	583.80
Cash generated from operations	4,371.78	6,281.64
Direct taxes paid (including taxes deducted at source), net of refunds	(1,882.90)	(981.95)
Net cash from operating activities	2,488.89	5,299.69
B. Cash flow from investing activities		
1 Purchase of property, plant and equipment and intangible assets (including right to use assets as per IND AS 116)	(1,087.80)	(826.73)
2 Net addition to investments in Fixed Deposit	(3,672.72)	(2,899.03)
3 Purchase of investment	(11,200.00)	-
4 Proceeds from sale of property, plant and equipment	14.61	16.50
5 Interest received on investments	788.91	419.18
6 Proceed from Sales of Investment	10,905.92	-
7 Increase / (Decrease) in Loan	1,350.00	(1,600.00)
8 Dividend received on investments	0.00	-
Net cash from/ (used in) investment activities	(2,901.08)	(4,890.08)

**Statement of cash flow for the period ended 31st March 2024 (Contd.)
(Indirect Method)**

(INR in Lakhs)

Particulars	31 March 2024	31 March 2023
C. Cash flow from financing activities		
1 Payment of dividend and tax their on	(1,562.67)	(948.77)
2 Interest paid	(45.56)	(16.21)
Net cash used in financing activities	(1,608.23)	(964.98)
Unrealized exchange gain/(loss) in cash and cash equivalents	-	1.02
Net increase/(decrease) in cash and cash equivalents	(2,020.42)	(554.35)
1 Cash & cash equivalents at beginning of year	2,628.01	3,182.36
2 Cash & cash equivalents at end of year (Refer Note 12A)	607.60	2,628.01

Note :- The above statements of cash flow has been prepared using the "indirect method" as per Ind AS 7.

There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.
Refer note 42 for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For and on behalf of the Board of Directors

For SHARP & TANNAN ASSOCIATES
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

K. TARANATH
Chairman
(DIN:00051697)

RAVINDRA SAMANT
Managing Director
(DIN: 07002226)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune : 22 April 2024

ANANTA DAS
Chief Financial Officer
Pune : 22 April 2024

ANUJA LATURKAR
Company Secretary

Statement of Changes in Equity for the period ended 31 March 2024**A. Equity Share Capital**

(INR in Lakhs)

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,395.25	-	1,395.25
Balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
1,395.25	-	1,395.25

B. Other Equity

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General reserve	Retained Earnings	
Balance as on 1 April 2022	179.08	2,982.23	140.94	11,962.35	15,264.61
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	179.08	2,982.23	140.94	11,962.35	15,264.61
Profit for the year	-	-	-	4,154.85	4,154.85
Other comprehensive income	-	-	-	7.77	7.77
Dividends	-	-	-	(948.77)	(948.77)
Balance as on 31 March 2023	179.08	2,982.23	140.94	15,176.21	18,478.46
Profit for the year	-	-	-	5,296.85	5,296.85
Other comprehensive income	-	-	-	(15.04)	(15.04)
Dividends	-	-	-	(1,562.67)	(1,562.67)
Balance as on 31 March 2024	179.08	2,982.23	140.94	18,895.34	22,197.60

As per our report of even date attached

For and on behalf of the Board of Directors

For SHARP & TANNAN ASSOCIATESChartered Accountants
(ICAI Firm Regn. No. 109983W)**Pramod Bhise**Partner
Membership No: (F) - 047751

Pune : 22 April 2024

K. TARANATHChairman
(DIN:00051697)**ANANTA DAS**

Chief Financial Officer

Pune : 22 April 2024

RAVINDRA SAMANTManaging Director
(DIN: 07002226)**ANUJA LATURKAR**

Company Secretary

Notes to Accounts

Material Accounting Policies

Notes to the financial statements for the year ended 31 March 2024

(All Amount are in Indian Rupees Lakh, Unless otherwise stated)

1. Corporate information

Karad Projects and Motors Limited (KPML) is a public company domiciled in India and incorporated under the provisions of the Indian Companies Act. KPML, a wholly owned subsidiary of Kirloskar Brothers Limited, engaged in manufacturing of wound stators, diecast, stator/rotor stacks, electric motors and pumps.

2. Material accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extent notified and as amended from time to time). The Ind AS have been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Company maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. The financial statements have been prepared on accrual and going concern basis.

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 22nd April 2024.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS on each reporting date.

Items	Measurement basis
Financial instruments – FVTPL	Fair value
Defined benefit plan – plan assets	Fair value

2.3 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities for product business. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months.

2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR Lakh rounded off to two decimal places, except share and per share data, unless otherwise stated.

2.5 Use of judgements, estimates and assumptions.

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, noncurrent liabilities and disclosure of the contingent liabilities at the end of each reporting

Notes to Accounts

period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 33)
- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 35)
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 39)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 35)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilized (Refer note 9)
- Revenue recognition – Variable consideration such as discounts, rebates is recognized considering historical trend of payout as adjusted for any amendment in rebate scheme.

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- **Raw materials:** Cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** Cost includes cost of direct materials, labour and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into work in progress / finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Stores and spares:** Inventories of consumable stores and spare parts are carried at the lower of cost and net realizable value.

Based on ageing of inventory and its future potential to generate economic benefit, company provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net-realizable value is made at regular intervals (each reporting period) and at change of events..

2.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Accounts

The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

While other bank balances include, margin money, deposits and other bank balances with bank which have restrictions on repatriation.

2.8 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

2.9 Property, plant and equipment (PPE)

Measurement

The cost of an item of PPE, shall be recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably.

Freehold land is carried at historical cost. All other items of PPE are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of PPE comprises its purchase price, including import duties net of credits and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, after deducting any discounts, rebates and estimated costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs directly attributable to the construction or acquisition of a qualifying asset upto completion or acquisition are capitalised as part of the cost.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE.

PPE under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of PPE outstanding at each reporting date are disclosed under "Other non-current assets".

• Subsequent costs

The cost of replacing a part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss as incurred.

• Disposal

An item of PPE is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/expenses in the statement of profit and loss.

• Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions to/deductions from owned assets is calculated pro rata to the period of use. Further, extra shift depreciation is provided wherever applicable. Depreciation charge

Notes to Accounts

for impaired assets if any is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Depreciation is recognised in the statement of profit and loss on a straight -line basis over the estimated useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act 2013 except in following cases where the management based on the technical evaluation have estimated the life to be higher or lower than the life prescribed in schedule II.

Life of assets considered:-

Sr.No	Particulars	Life
1	Solar System	20 Years
2	Solar Inverter	5 Years
3	Stamping Tools	3 Years
4	Equipment used for Mat. Handling	5 Years

2.10 Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company and it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over the period of three years.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

2.11 Revenue recognition

Company recognizes revenue from contracts with customers when it satisfies a performance obligation. Revenue is measured at transaction price i.e. Consideration to which Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component, if any.

For contracts with multiple performance obligations, transaction price is allocated to different performance obligations based on their standalone selling price. In such case, revenue recognition criteria is applied separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

Sale of goods

Revenue from the sale of goods is recognized when control of the goods is transferred to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a

Notes to Accounts

significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Rendering of services

Revenue is recognized over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

2.12 Other income

Interest is recognized on a time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate (EIR) method. Dividend income and export benefits are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.13 Foreign currencies transactions

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.14 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

The Company's superannuation scheme, State governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme is the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a

Notes to Accounts

corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis in the statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefit

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above except for actuarial gains and losses which are recognized in the statement of profit and loss.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

2.15 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to Accounts

2.16 Provisions

A Provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Company has a legal obligation for dismantling of machineries and restoring the lease shed back to its original condition. Dismantling and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalised as a part of the Right to Use Asset.

Contingent liabilities

Contingent liability is disclosed when,

- company has a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.17 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

• Company as a lessee

A lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and

Notes to Accounts

conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability:

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequent measurement**Right to use assets**

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

2.18 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

2.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to Accounts

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus or minus the transaction cost. Trade receivables that do not contain financial component are measured at transaction price in accordance with Ind AS 115. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at amortised cost if,

Notes to Accounts

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities**Initial recognition and measurement**

The company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Notes to Accounts

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21 Earnings per share (EPS)

Basic earnings per share are 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares. If it is antidilutive, it is ignored.

2.22 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The company operates in a single reporting segment of 'motors, pumps and its accessories'.

2.23 Recent accounting pronouncement

MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024

KARAD PROJECTS AND MOTORS LIMITED

Notes to Accounts

Note 3: Property, Plant and Equipment and Intangible Assets

(INR in Lakhs)

Particulars	Property, Plant and Equipment							Intangible Assets		Total
	Land free hold	Land Lease hold	Buildings	Plant & Equipment	Furniture & Fixtures	Office equipment	Vehicles	Total Tangible	Computer Softwares	
Gross Block										
As at 1 April 2022	1.26	79.73	1,111.79	7,025.30	205.18	96.01	178.67	8,697.91	160.32	8,858.23
Additions	-	-	118.46	1,076.50	1.31	3.69	2.13	1,202.10	0.92	1,203.02
Disposals	-	-	-	59.06	-	1.25	34.49	94.80	-	94.80
As at 31 March 2023	1.26	79.73	1,230.25	8,042.74	206.49	98.45	146.31	9,805.21	161.24	9,966.46
	-	-	-	-	-	-	-	-	-	-
Additions	-	-	121.14	604.11	31.60	15.36	21.24	793.46	131.16	924.62
Disposals	-	-	-	453.44	33.41	25.46	19.07	531.37	88.57	619.94
As at 31 March 2024	1.26	79.73	1,351.39	8,193.41	204.68	88.35	148.48	10,067.30	203.83	10,271.13
Depreciation/ Amortisation										
As at 1 April 2022	-	16.89	365.30	5,349.45	109.39	71.40	51.97	5,964.40	156.11	6,120.50
Charge for the year	-	0.84	55.30	470.93	15.25	9.34	16.61	568.27	1.92	570.19
Depreciation on disposal	-	-	-	56.45	-	1.25	24.16	81.87	-	81.87
As at 31 March 2023	-	17.73	420.60	5,763.93	124.64	79.49	44.42	6,450.80	158.03	6,608.82
Charge for the year	-	0.84	47.63	564.59	14.51	6.80	16.80	651.17	45.18	696.36
Depreciation on disposal	-	-	-	449.08	33.32	25.46	19.07	526.92	88.57	615.49
As at 31 March 2024	-	18.57	468.23	5,879.44	105.83	60.83	42.15	6,575.05	114.64	6,689.69
Net block										
As at 31 March 2024	1.26	61.16	883.16	2,313.97	98.85	27.52	106.33	3,492.25	89.19	3,581.44
As at 31 March 2023	1.26	62.01	809.65	2,278.82	81.86	18.96	101.89	3,354.41	3.21	3,357.63

Notes:

- The lease term in respect of assets acquired under finance lease expires in 95 years. Company has paid the lumpsum consideration to MIDC at the time of inception of lease. Under the terms of lease, the company has option to renew the agreement for further period of 95 years.
- During the year no provision envisaged for impairment loss .
- Refer note 29 for estimated amount of contracts remaining to be executed on capital account and not provided for.
- Company has not revalued any property, plant and equipment during the FY 2023-24 and FY 2022-23
- All title deeds of immovable properties are held in the name of company
- Company does not hold any Benami property.

Notes to Accounts (Contd.)

Note 3: Contd..

Capital Work in Progress (CWIP)

CWIP ageing schedule as on 31 March 2024

CWIP	Amount in CWIP for a Period of				Total
	Less than 1 Year	1- 2 years	2-3 Years	More than 3 Years	
Project in Progress	39.86	-	-	-	39.86
Projects temporarily suspended	-	-	-	-	-

Note: CWIP comprise plant and machineries Rs. 37.12 lakh and other equipment Rs 2.74 Lakh at Karad HO & Plant.

CWIP ageing schedule as on 31 March 2023

CWIP	Amount in CWIP for a Period of				Total
	Less than 1 Year	1- 2 years	2-3 Years	More than 3 Years	
Project in Progress	3.75	-	-	-	3.75
Projects temporarily suspended	-	-	-	-	-

Note: CWIP comprise motorised hoist Rs. 3.75 Lakh at Karad HO & Plant.

Intangible asset under development ageing schedule as on 31 March 2024

Intangible asset under development	Amount in CWIP for a Period of				Total
	Less than 1 Year	1- 2 years	2-3 Years	More than 3 Years	
Project in Progress	-	-	-	-	-

Intangible asset under development ageing schedule as on 31 March 2023

Intangible asset under development	Amount in CWIP for a Period of				Total
	Less than 1 Year	1- 2 years	2-3 Years	More than 3 Years	
Project in Progress	63.08	-	-	-	63.08

Note: CWIP comprise SAP S/4 HANA implementation Rs. 63.08 Lakh to be completed at Karad HO & Plant.

Notes to Accounts

Note 4: Right to Use Assets

(INR in Lakhs)

Particulars	Land
Opening balance as at 1 April 2022	-
Net addition/(deletion) during the year	-
Depreciation	-
Balance as at 31 March 2023	-
Net addition/(deletion) during the year	190.15
Depreciation	(4.88)
Balance as at 31 March 2024	185.27

Note 5: Other Financial Asset- Investments

(INR in Lakhs)

Particulars	31 March 2024	31 March 2023
I Long term investments (non current)		
Investments at Fair value through other comprehensive income		
a) Unquoted equity shares (fully paid)		
1 Equity Share (Previous year 1 equity Share) of Kirloskar Proprietary Limited of Rs. 100 each, fully paid	0.05	0.05
b) Investment at amortised cost		
Investment in fixed deposit with financial institutions - Bajaj Finance (Int rate - 8.15%)	1,500.00	200.00
	1,500.05	200.05
II Current Investment		
Investment at amortised cost		
Investment in fixed deposit with financial institutions - LIC HFL & Bajaj Finance (Int rate - 6.78% to 8.05%)	6,300.00	3,300.00
Investment at fair Value through Profit and Loss Account		
Investment in Mutual Funds	351.23	-
	6,651.23	3,300.00
Total	8,151.28	3,500.05

Particulars	31 March 2024	31 March 2023
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	8,151.28	3,500.05

Notes to Accounts

(INR in Lakhs)

Note 6: Financial assets: Trade receivables

Particulars	31 March 2024	31 March 2023
Current		
Trade receivable		
From related parties	10,744.80	7,686.42
From others	2,242.44	2,516.97
Unsecured, considered good	12,987.24	10,203.39
Doubtful	122.09	84.65
	13,109.33	10,288.04
Less : Provision for significant increase in credit risk and credit impaired receivables	122.09	84.65
Total trade receivables	12,987.24	10,203.39

Notes:

- (a) Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. Refer note 39 for ageing and movement in loss allowance.
- (b) No trade or other receivable or loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivable Ageing Schedule- as on 31 March 2024

	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	10,064.40	2,920.17	2.67	-	-	-	12,987.24
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	48.78	-	73.31	122.09
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
Less:- Provision for doubtful debts	-	-	-	(48.78)	-	(73.31)	(122.09)
Total	10,064.40	2,920.17	2.67	-	-	-	12,987.24

Trade Receivable Ageing Schedule- as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	8,711.66	1,479.79	11.93	-	-	-	10,203.38
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	73.31	73.31
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	11.34	11.34
Less:- Provision for doubtful debts	-	-	-	-	-	(84.65)	(84.65)
Total	8,711.66	1,479.79	11.93	-	-	-	10,203.38

Notes to Accounts

(INR in Lakhs)

Note 7: Financial assets: Loan

Particulars	31 March 2024	31 March 2023
Current		
1) Loans		
Unsecured, considered good		
Advances to related parties (Refer note 50)	250.00	1,600.00
Total loans	250.00	1,600.00

Note 8: Financial assets: Other financial assets

Particulars	31 March 2024	31 March 2023
<u>Non-Current</u>		
(a) Security deposit	86.66	145.02
Unsecured, considered good		
(b) Claims receivable		
Unsecured, considered good	-	-
(c) Fixed deposits with banks of maturity of more than 12 months	0.99	359.33
(d) Interest accrued	2.40	-
	90.05	504.35
<u>Current</u>		
(a) Security Deposit	1.05	1.05
Unsecured, considered good		
(b) Claims receivable	8.99	10.72
Unsecured, considered good		
(c) Interest accrued	350.78	81.22
	360.82	92.99
Total other financial asset	450.87	597.34

Notes to Accounts

(INR in Lakhs)

Note 9: Tax Expenses

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are: (Profit) or loss

Particulars	For the Year 2023-24	For the Year 2022-23
Current income tax:		
Current income tax charge	1,930.00	1,010.00
Adjustments in respect of current income tax of previous year	-	-
MAT entitlement for earlier years / utilization	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	18.08	72.58
MAT utilization for earlier years	192.36	639.81
Income tax expense reported in the statement of profit or loss	2,140.44	1,722.39

Other Comprehensive Income

Deferred tax related to items recognised in OCI during in the year:

Particulars	For the Year 2023-24	For the Year 2022-23
Net loss/(gain) on remeasurements	(5.06)	3.19
Income tax charged to OCI	(5.06)	3.19

Notes to Accounts

(INR in Lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023

Particulars	For the Year 2023-24	For the Year 2022-23
Accounting profit before tax	7,437.29	5,877.24
At statutory income tax rate of 25.168% (PY 29.12%) (a)	1,871.82	1,711.45
Adjustments		
Less: tax rate Difference (25.168%-29.12%)	(30.23)	-
Subtotal (b)	(30.23)	-
Less: Deferred Tax Credit having no effect on MAT	-	-
Deferred tax on timing difference not having effect on MAT	-	-
Subtotal (c)	-	-
Add/Less : Other Differences		
Due to effect on tax on OCI, and others MAT disallowances and exempt Income and rounding off of the provisions	- -	9.37 -
Subtotal (d)	-	9.37
Add:MAT entitlement for earlier years & other credits of earlier years (e)	192.36	-
Add:Effect on tax due to permanent differences (f)	28.17	16.91
Add/Less: Difference in deferred tax creation and claim of expenditure in computation (g)	72.23	(15.34)
Less: Set off of carry forward losses for which DTA was not recognised (h)	-	-
Sub total (i) = (b+c+d+e+f+g+h)	262.53	10.94
Total (j) = (a+i)	2,134.35	1,722.39
Tax expenses/(income) recorded in books	2,140.44	1,722.39

Deferred tax

Deferred tax relates to the following: DTL/ (DTA)	Balance Sheet		Statement of profit and loss & OCI	
	31 March 2024	31 March 2023	2023-24	2022-23
Property, plant and equipment (Depreciation)	30.56	65.72	(35.16)	30.07
Employee benefits - compensated absences /gratuity	(84.70)	(84.55)	(0.15)	(2.73)
Employee benefits - VRS	-	-	-	-
Provision for doubtful debts and advances	(30.73)	(24.65)	(6.08)	20.59
Amalgamation expenses	-	(0.00)	0.00	3.39
Deferred Tax Asset (43 B / 40 a)	(124.88)	(179.29)	54.41	21.27
MAT Entitlement	-	(192.37)	192.37	643.00
Deferred tax expense/(income)			205.39	715.59
Net deferred tax (assets)/liabilities	(209.75)	(415.14)		

Notes to Accounts

Reflected in balance sheet as

1) Deferred tax

(INR in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax asset	(240.31)	(288.49)
MAT entitlement for earlier years	-	(192.37)
Deferred tax liability	30.56	65.72
Net Deferred tax asset	(209.75)	(415.14)

2) Current tax

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax asset	526.32	573.42

Note 10: Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
<u>Non-Current</u>		
(a) Capital advances		
Unsecured, considered good	64.90	171.37
(b) Prepaid expenses	9.61	5.44
(c) Claims receivable	69.42	194.59
	143.93	371.40
<u>Current</u>		
Other loans and advances		
(a) Advances to supplier and others		
Unsecured, considered good	190.00	404.94
(b) Prepaid expenses	67.96	55.91
(c) Claims receivable	2.68	2.05
	260.64	462.90
Total other assets	404.57	834.30

Note 11: Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Raw Materials	2,203.04	1,635.79
(ii) Finished goods*	725.55	594.78
(iii) Stores and spares	99.37	132.95
(iv) Work in progress	877.62	1,221.82
	3,905.58	3,585.34

* Include goods in transit - Rs 11.27 Lakh (PY 2022-23 : Rs.Nil)

KARAD PROJECTS AND MOTORS LIMITED**Notes to Accounts****Amounts recognised in profit or loss**

Write back/write-off of inventories to net realisable value amounted to Rs 46.65 lakh write back (31 March 2023: Rs 90.45 lakh write off). These were recognised as an Income/expense during the year and included in 'material consumption'.

Note 12A: Cash and Bank balances**(INR in Lakhs)**

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Balances with bank		
Balances with banks	360.18	1,977.10
EEFC accounts	-	40.37
Fixed deposits (with maturity less than 3 months)	247.00	610.12
(b) Cash on hand	0.42	0.42
Total cash and cash equivalents	607.60	2,628.01

Note 12B: Other bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
(b) Fixed deposits		
Fixed deposits (with maturity more than 3 months and less than 12 months)	2,367.75	2,996.26
Fixed deposits of Rs.175 lakh (March 2023 Rs.325 Lakh) are held as security against OD facility and Rs. Nil (March 2023 Rs. 53.39 lakh) is held as margin money against bank guarantee issued		
Total other bank balances	2,367.75	2,996.26

Note 13: Share Capital

Particulars	As at 31 March 2024	As at 31 March 2023
<u>Authorised</u>		
180,00,000 (Previous Year 180,00,000) Equity shares of Rs.10 each	1,800.00	1,800.00
250,00,000 (Previous Year 250,00,000) Preference shares of Rs.10 each	2,500.00	2,500.00
	4,300.00	4,300.00
<u>Issued, subscribed & fully paid up</u>		
13,952,450 (Previous Year 13,952,450) Equity shares of Rs.10 each fully paid	1,395.25	1,395.25
	1,395.25	1,395.25

a) Terms/rights attached to equity shares

The company has only one class of equity shares, having par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year Interim Dividend @ Rs. 8.00 per share has been paid.

For the year ended 31 March 2024 the Board of Directors has not proposed any final dividend (31 March 2023: Rs. 3.20).

Notes to Accounts

b) Reconciliation of share capital

(INR in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	(Rs)	Number	(Rs)
Shares outstanding at the beginning of the year	1,39,52,450	1,395.25	1,39,52,450	1,395.25
Shares outstanding at the end of the year	1,39,52,450	1,395.25	1,39,52,450	1,395.25

c) Details of shareholder holding more than 5% shares

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd. - Holding Company	1,39,52,450	100.00%	1,39,52,450	100.00%

d) Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of Holding	% change during the year
Kirloskar Brothers Ltd.	1,39,52,450	100.00%	Nil

Note 14: Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
1) Capital reserve	179.08	179.08
2) Securities Premium Reserve	2,982.23	2,982.23
3) General reserve	140.94	140.94
4) Retained Earnings		
Opening balance	15,176.21	11,962.35
Add: Total Comprehensive Income for the period	5,281.81	4,162.62
Balance available for appropriation	20,458.02	16,124.97
Less: Appropriations :		
Final and interim dividend	1,562.67	948.77
Sub total	1,562.67	948.77
Closing balance	18,895.34	15,176.21
Total Other Equity	22,197.60	18,478.45

Capital reserve

The company had recognised capital reserve on account of merger.

Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

Notes to Accounts

(INR in Lakhs)

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 15: Financial Liabilities - Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
1) Current borrowings		
(a) Secured		
Loans repayable on demand from bank		
(i) Cash / export credit facilities	-	-
(Company has working facility with bank and the loan is secured by hypothecation of Receivables and Inventories.)	-	-

1. The quarterly returns or statements filed by the Company for working capital limits whenever availed with such banks are in agreement with the books of account of the Company
2. The company has utilized loans for the specific purpose for which same are availed.
3. The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
4. There are 11 old charges worth Rs. 141.25 Lakh of 4 parties pending for satisfaction for which Company is in the process of satisfaction of the said charges.

Note 16: Financial liabilities - Trade Payable

Particulars	As at 31 March 2024	As at 31 March 2023
1) Current Trade payable		
Due to others	5,464.48	4,732.45
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5,464.48	4,732.45
Due to Micro and Small Enterprises	972.10	53.04
Total outstanding dues of Creditors	6,436.58	4,785.49

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 45-90 days terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 39 for ageing.

Notes to Accounts

(INR in Lakhs)

Note 16: Financial liabilities - Trade Payable (Contd.)

Trade Payable Ageing Schedule- as on 31 March 2024

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	792.20	179.90	-	-	-	972.10
(ii) Others	4,612.97	835.58	3.87	0.96	11.10	5,464.48
(iii) Disputed due MSME	-	-	-	-	-	-
(iv) Disputed due Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
Total	5,405.17	1,015.48	3.87	0.96	11.10	6,436.58

Trade Payable Ageing Schedule- as on 31 March 2023

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	53.05	-	-	-	-	53.05
(ii) Others	4,164.45	548.05	0.40	-	19.55	4,732.45
(iii) Disputed due MSME	-	-	-	-	-	-
(iv) Disputed due Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	1,587.73
Total	4,217.50	548.05	0.40	-	19.55	6,373.22

Note 17: Other Financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non current		
Provision for expenses	310.00	235.00
	310.00	235.00
Current		
(i) Salary & Reimbursements	379.70	305.17
(ii) Capital creditors (includes due to MSME Rs. 10.82 lakh and previous year Rs 2.26 Lakh)	169.63	151.06
(iii) Provision for expenses	115.66	212.21
	664.99	668.44

Terms and conditions of the above financial liabilities:

- Other payables are non-interest bearing and have an average term of six months
- For explanations on the Group's credit risk management processes, refer to Note 39

Notes to Accounts

Note 18 : Provisions

(INR in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Current Provisions		
1) Provision for employee benefits		
(i) Leave encashment (Refer note 35)	142.69	114.70
(ii) Gratuity (Refer note 33)	-	-
2) Other Provisions		
Other Expenses	426.21	1,735.79
	568.90	1,850.49
Current Provisions		
1) Provision for employee benefits		
(i) Leave encashment (Refer note 35)	120.55	112.84
(ii) Gratuity (Refer note 33)	73.31	62.80
2) Other Provisions		
Warranty Provision	1,291.96	2,132.17
	1,485.82	2,307.81

Note 19: Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
1) Contribution to PF and superannuation	20.78	20.22
2) Statutory dues	251.64	266.17
3) Advances from customer	158.77	350.38
	431.19	636.77

Note 20 Revenue from operations

Particulars	For the year 2023-24	For the year 2022-23
Sale of product	47,978.16	48,644.03
Sale of services	84.33	50.90
	48,062.49	48,694.93
Other operating revenues	2,586.58	2,811.50
	50,649.07	51,506.43

Notes to Accounts

Note 21 Other Income

(INR in Lakhs)

Particulars	For the year 2023-24	For the year 2022-23
(a) Interest Income		
(i) From Bank	699.05	358.99
(ii) On Loan	89.86	76.21
(iii) From others	55.92	4.80
	844.83	440.00
(b) Dividend Income		
(i) From other than subsidiary companies	0.00	0.00
(c) Other non-operating income		
(i) Excess provision written back	1,342.07	446.68
(ii) Miscellaneous Income	26.83	65.75
	1,368.90	512.43
	2,213.73	952.43

There are no transactions that are not recorded in books of accounts and have been disclosed as Income during the year In the Income Tax assessment under Income Tax Act 1961.

Note 22 A Cost of material consumed

Particulars	For the year 2023-24	For the year 2022-23
Raw material consumed	36,779.63	36,921.70
	36,779.63	36,921.70

Note 22 B Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year 2023-24	For the year 2022-23
Opening Stock		
Finished goods	594.78	1,106.74
Work-in- progress	1,221.82	1,740.16
Stock in trade	-	-
	1,816.60	2,846.90
Closing Stock		
Finished goods	725.55	594.78
Work-in- progress	877.62	1,221.82
Stock in trade	-	-
	1,603.17	1,816.60
Total change in inventories	213.43	1,030.30

Notes to Accounts**Note 23 Employee benefits expense****(INR in Lakhs)**

Particulars	For the year 2023-24	For the year 2022-23
Salaries, wages and bonus	2,208.42	2,061.00
Defined Contribution Plan		
Contribution to provident fund, super annuation fund and ESIC	136.62	126.04
Defined Benefit Plan		
Gratuity	51.06	45.20
Welfare expenses	83.65	85.32
	2,479.75	2,317.56

Note 24 Finance costs

Particulars	For the year 2023-24	For the year 2022-23
Interest expense	33.95	4.62
Other borrowing costs	7.87	7.94
Net Interest Expense on defined benefit obligation	3.74	3.66
	45.56	16.22

Note 25 Depreciation and amortisation

Particulars	For the year 2023-24	For the year 2022-23
Depreciation on property, plant and equipment	651.18	568.27
Amortisation of intangible assets	45.18	1.92
Amortisation of right to use assets (lease)	4.88	-
	701.24	570.19

Notes to Accounts

Note 26 Other expenses

(INR in Lakhs)

Particulars	For the year 2023-24	For the year 2022-23
Stores and spares consumed	847.09	880.20
Processing charges	2,989.75	2,616.95
Power & fuel	186.95	213.08
Repairs and maintenance		
Plant and machinery	177.35	249.37
Buildings	63.92	71.87
Others	17.05	7.96
Rent	0.40	0.84
Rates and taxes	37.01	13.45
Travel and conveyance	66.20	58.33
Postage and telephone	12.95	10.95
Insurance	24.35	26.86
Directors sitting fees	0.93	1.00
Freight and forwarding charges	416.64	440.03
Advertisements and publicity	2.73	2.21
Loss on sale/disposal of fixed assets	1.69	0.12
Bad debts, advances and claims written off	11.34	136.31
Provision for doubtful debts, advances and claims (written back)	(11.34)	(140.31)
Provision for doubtful debts, advances and claims	48.78	69.62
Auditors remuneration (Refer Note - 30)	17.75	16.40
Legal Expenses and Consulting Fees	139.80	93.23
Stationery and printing	12.41	13.74
Computer Services	55.92	31.54
Foreign exchange difference Loss (Net)	23.76	28.66
Warranty Expenses	423.16	577.23
CSR Expenses	71.37	80.13
Other miscellaneous expenses	224.90	225.88
	5,862.86	5,725.65

Note 27 Other Comprehensive Income

Particulars	For the year 2023-24	For the year 2022-23
Remeasurements (gains) and losses on post employments benefits	20.10	(10.96)
Tax on remeasurements gains and (losses)	(5.06)	3.19
	15.04	(7.77)

Notes to Accounts

Note 28: Contingent Liabilities

(INR in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against the company not acknowledged as debt Claims are in the nature of legal notices received from vendors and contested by the Company.	3,217.78	3,217.78
b) Other money for which company is contingently liable		
i) Central Excise and Service tax (Matter Subjudice)	19.00	19.00
ii) Labour Matters (Matter Subjudice)	-	53.22
iii) Sales Tax (Matter Subjudice)	-	122.51
iv) Income Tax (Matter Subjudice)	23.60	148.12
Total contingent liabilities	3,260.38	3,560.63

The company does not expect any reimbursement in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash flow if any with respect to above matters.

Note 29: Commitments

(INR in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	305.52	304.99
Total commitments	305.52	304.99

Note 30: Remuneration to Auditors

(INR in Lakhs)

Particulars	For the year 31 March 2024	For the year 31 March 2023
a) Audit fees	11.00	11.00
b) Tax audit	-	1.25
c) For other services: Limited review and Certification	6.00	3.93
d) Expenses reimbursed	0.75	0.22
Total audit fees	17.75	16.40

Notes to Accounts

Note 31: Earning per Share (Basic and diluted)

(INR in Lakhs)

Particulars	For the year 31 March 2024	For the year 31 March 2023
a) Profit for the year before tax	7,437.29	5,877.24
Less : Attributable Tax thereto	2,140.44	1,722.39
Profit after Tax	5,296.85	4,154.85
b) Weighted average number of equity shares used as denominator (numbers)	1,39,52,450	1,39,52,450
c) Basic and diluted earning per share of nominal value of Rs 10/- each (Rs)	37.96	29.78

Note 32: Construction contract

(INR in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Amount of retentions for contracts in progress (provided for)	73.31	73.31

Note 33: Employee Benefits :

i Defined Contribution Plans:

Amount of Rs. 128.31 Lakhs (Previous year Rs. 117.83 Lakhs), is recognized as an expense and included in 'Payments to and Provision for Employees' in the statement of profit and loss.

ii Defined Benefit Plans:

a) The amounts recognised in Balance Sheet are as follows:

(INR in Lakhs)

Particulars	As at 31 March 2024 Gratuity Plan (Funded)	As at 31 March 2023 Gratuity Plan (Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	386.96	342.34
Less: Fair Value of Plan Assets	313.65	279.53
Amount to be recognised as liability or (asset)	73.31	62.81
B. Amounts reflected in the Balance Sheet		
Liabilities	73.31	62.81
Assets	-	-
Net Liability/(Assets)	73.31	62.81

Notes to Accounts**b) The amounts recognised in the Profit and Loss Statement are as follows:****(INR in Lakhs)**

Particulars		2023-2024 Gratuity Plan (Funded)	2022-2023 Gratuity Plan (Funded)
1	Current Service Cost	51.06	47.72
2	Acquisition (gain)/ loss	-	-
3	Past Service Cost	-	-
4	Net Interest (income)/expenses	2.35	3.66
5	Curtailement (Gain)/ loss	-	-
6	Settlement (Gain)/loss	-	-
7	Transfer in/ (Out)		(2.52)
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23 & Finance cost-Note 24)		53.41	48.86

c) The amounts recognised in the statement of other comprehensive income (OCI)**(INR in Lakhs)**

Particulars		2023-2024 Gratuity Plan (Funded)	2022-2023 Gratuity Plan (Funded)
1	Opening amount recognised in OCI outside profit and loss account	6.93	17.89
2	Remeasurements for the year - Obligation (Gain)/loss	4.54	(11.30)
3	Remeasurements for the year - Plan assets (Gain) / Loss	15.55	0.34
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	20.10	(10.96)
5	Closing balances (Remeasurements (gain)/loss recognised OCI	27.02	6.93

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**(INR in Lakhs)**

Particulars		As at 31 March 2024 Gratuity Plan (Funded)	As at 31 March 2023 Gratuity Plan (Funded)
1	Balance of the present value of Defined benefit Obligation at beginning of the period	342.33	296.58
		-	-
2	Acquisition adjustment	-	-
3	Transfer in/ (out)	-	(2.52)
4	Interest expenses	24.35	20.71
5	Past Service Cost	-	-
6	Current Service Cost	51.06	47.72
7	Curtailement Cost / (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Benefits paid	(35.33)	(8.86)
10	Remeasurements on obligation - (Gain) / Loss	4.54	(11.30)
	Present value of obligation as at the end of the period	386.95	342.33

Notes to Accounts

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: (INR in Lakhs)

Particulars	Gratuity Plan (Funded)	
	As at 31 March 2024	As at 31 March 2023
1 Fair value of the plan assets as at beginning of the period	279.53	217.68
2 Acquisition adjustment	-	-
3 Transfer in/(out)	-	-
4 Interest income	22.00	17.06
5 Contributions	63.00	54.00
6 Benefits paid	(35.33)	(8.86)
7 Amount paid on settlement	-	-
8 Return on plan assets, excluding amount recognized in Interest Income - (Gain) / Loss	(15.55)	(0.34)
9 Fair value of plan assets as at the end of the period	313.65	279.53
10 Actual return on plan assets	6.45	16.72

f) Net interest (Income) /expenses (INR in Lakhs)

Particulars	Gratuity Plan (Funded)	
	As at 31 March 2024	31 March 2023
1 Interest (Income) / Expense – Obligation	24.35	20.71
2 Interest (Income) / Expense – Plan assets	(22.00)	(17.06)
3 Net Interest (Income) / Expense for the year	2.35	3.65

g) The broad categories of plan assets as a percentage of total plan assets as at reporting date of Employee's Gratuity Scheme are as under: (INR in Lakhs)

Particulars	Gratuity Plan (Funded)
	31 March 2024
Government of India securities	-
State Government securities	-
Other approved securities(Govt. guaranteed securities)	-
High quality corporate bonds	-
Equity shares of listed companies	-
Special deposit scheme	-
Others (with the Insurer)	100%
Total	100%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- Discount rate as at 31 March 2024- 7.2% (31 March 2023- 7.5%)
- Expected return on plan assets as at 31 March 2024 - 7.50% (31 March 2023 - 7.10%)
- Salary growth rate : For Gratuity Scheme as at 31 March 2024 - 10.0% (31 March 2023- 10.0%)
- Attrition rate: For gratuity scheme the attrition rate is taken as at 31 March 2024 7% (31 March 2023- 7%)
- The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Accounts**h) General descriptions of defined plans:****Gratuity Plan:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

l) Sensitivity analysis

A one percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

(INR in Lakhs)

Change in assumption		Effect on gratuity obligation	
		As at 31 March 2024	As at 31 March 2023
1 Discount rate			
Increase by 1% to 8.2% (8.5%)		358.634	318.439
Decrease by 1% to 6.2% (6.50%)		419.346	369.684
2 Salary increase rate			
Increase by 1% to 11.0% (11.0%)		414.406	365.648
Decrease by 1% to 9.0% (9.0%)		362.355	321.461
3 Withdrawal rate			
Increase by 1% to 8.0% (8.0%)		382.355	338.794
Decrease by 1% to 6% (6%)		392.096	346.301

J) The Company will assess the impact of Code on Wages, 2019 and the Code on Social Security, 2020 and give effect in the financial statements when the date of implementation of these codes and the Rules/Schemes.

K) The average duration (in number of years) of the defined benefit plan obligations at the Balance Sheet date is as follows:

Plan	As at 31 March 2024	As at 31 March 2023
Gratuity	6.15	6.26

Notes to Accounts

Note 34: Related Party Disclosures

(a) Names of the related party and nature of relationship where control /significant influence exists

Sr No	Name of the related party	Nature of relationship
1	Kirloskar Brothers Limited	Holding company
2	Kirloskar Brothers International BV	Subsidiary of Holding Company
3	The Kolhapur Steel Limited	Subsidiary of Holding Company
4	Kirloskar Corrocoat Private Limited,	Subsidiary of Holding Company
5	Kirloskar Brothers (Thailand) Limited.	Fellow Subsidiary of Holding Company
6	Kirloskar Pompen BV	Fellow Subsidiary of Holding Company
7	SPP Pumps Ltd,UK	Fellow Subsidiary of Holding Company
8	Rotaserve Limited	Fellow Subsidiary of Holding Company
9	SPP Pumps MENA LLC	Fellow Subsidiary of Holding Company
10	SPP Pumps International Pty. Ltd. (South Africa)	Fellow Subsidiary of Holding Company
11	Micawber 784 Proprietary Limited	Fellow Subsidiary of Holding Company
12	Rodelta Pumps International BV	Fellow Subsidiary of Holding Company
13	Rotaserve BV	Fellow Subsidiary of Holding Company
14	SPP Pumps SAS	Fellow Subsidiary of Holding Company
15	SPP Pumps Inc	Fellow Subsidiary of Holding Company
16	SPP Pumps (Asia) Company Limited	Fellow Subsidiary of Holding Company
17	Braybar Pumps (Proprietary) Limited	Fellow Subsidiary of Holding Company
18	SPP Pumps (South Africa) Pty Ltd.	Fellow Subsidiary of Holding Company
19	Rotaserve Mozambique	Fellow Subsidiary of Holding Company
20	SPP Pumps (Singapore) Ltd	Fellow Subsidiary of Holding Company
21	SPP Pumps Real estate LLC	Fellow Subsidiary of Holding Company
22	Syncroflo Inc	Fellow Subsidiary of Holding Company
23	Kirloskar Ebara Pumps Limited	Joint Venture of Holding Company

(b) Key management personnel and close member of key management personnel

Sr No	Name of the related party	Nature of relationship
1	Mr. Ravindra Samant	Managing Director
2	Mr. K. Taranath	Chairman
3	Mr. C. M. Mate	Director
4	Ms. Rama Kirloskar	Director
5	Ms. Manjiri Jawadekar	Director
6	Mr. Vijaykumar Kulkarni	CFO -up to 17/07/23
7	Mr. Ananta Charan Das	CFO -w.e.f. from 17/07/23
8	Ms. Anuja Laturkar	Company Secretary

KARAD PROJECTS AND MOTORS LIMITED**Notes to Accounts****(c) Trust where key managerial persons are the trustees.**

Sr No	Name of the related party	Nature of relationship
1	Karad Projects and Motors Limited Employees Welfare Trust	Trustee

(d) Names of related parties with whom transactions have been entered into:

1	Holding Company	Kirloskar Brothers Limited
2	Fellow Subsidiary of Holding Company	SPP Pumps Ltd,UK
3	Subsidiary of Holding Company	The Kolhapur Steel Limited
4	Joint Venture of Holding Company	Kirloskar Ebara Pumps Limited
5	Key management personnel and their close member	Mr. Ravindra Samant
		Mr. K. Taranath
		Ms. Manjiri Jawadekar
		Mr. Vijaykumar Kulkarni
		Mr. Ananta Charan Das

(e) Transactions with related parties ***(INR in Lakhs)**

Nature of Transactions	Year	Where control exists	Enterprises under common control	KMP and close member of KMP and where KMP are trustees
Purchases/ Job work				
Kirloskar Brothers Limited		159.23	-	-
Kirloskar Brothers Limited (for Fixed asset)		68.08	-	-
	2023-24	227.31	-	-
Kirloskar Brothers Limited		159.07		
Kirloskar Brothers Limited (for Fixed asset)		63.08		
	2022-23	222.15	-	-
Sales/Job work/Others				
Kirloskar Brothers Limited		39,424.90	-	-
The Kolhapur Steel Limited		-	-	-
Kirloskar Ebara Pumps Ltd.		-	0.20	-
SPP Pumps UK		-	87.87	-
SPP Pumps (PTY) Ltd. SA		-	-	-
	2023-24	39,424.90	88.07	-
Kirloskar Brothers Limited		39,278.51	-	-
Kirloskar Brothers Limited (for fixed asset)		2.83	-	-
The Kolhapur Steel Limited		-	92.39	-
Kirloskar Ebara Pumps Ltd.		-	-	-
SPP Pumps UK		-	56.66	-
SPP Pumps (PTY) Ltd. SA		-	37.30	-
	2022-23	39,281.34	186.36	-
Interest Received				
The Kolhapur Steel Ltd		-	86.71	-
	2023-24	-	86.71	-

Notes to Accounts

(e) Transactions with related parties * (Contd.)

(INR in Lakhs)

Nature of Transactions	Year	Where control exists	Enterprises under common control	KMP and close member of KMP and where KMP are trustees
The Kolhapur Steel Ltd		-	76.21	-
	2022-23		76.21	
Final/ Interim dividend				
Kirloskar Brothers Limited		1,562.67	-	-
	2023-24	1,562.67	-	-
Kirloskar Brothers Limited		948.77	-	-
	2022-23	948.77	-	-
Receiving services/ expenses reimbursed				
Kirloskar Brothers Limited		62.79	-	-
	2023-24	62.79	-	-
Kirloskar Brothers Limited		50.42		
	2022-23	50.42	-	-
Loan				
The Kolhapur Steel Ltd - Loan Given		-	-	-
The Kolhapur Steel Ltd - Loan Recovered		-	1,350.00	-
	2023-24	-	1,350.00	-
The Kolhapur Steel Ltd - Loan Given		-	1,600.00	-
The Kolhapur Steel Ltd - Loan Recovered			-	-
	2022-23	-	1,600.00	-
Sitting Fees				
K. Taranath		-	-	0.55
Manjiri Jawadekar		-	-	0.38
	2023-24	-	-	0.93
K. Taranath		-	-	0.55
Manjiri Jawadekar		-	-	0.45
	2022-23	-	-	1.00

* Note: Disclosure has given for all transaction value with related parties.

(f) Key management personnel compensation

Particulars	Year	Ravindra Samant	Ananta Das	Vijay Kulkarni
Short term employee benefits		87.87	19.64	9.56
Post employment benefits		19.45	2.18	0.70
Other long term employee benefit		8.21	0.37	-
Total	2023-24	115.53	22.19	10.26
Short term employee benefits		76.09	-	30.02
Post employment benefits		10.95	-	3.19
Other long term employee benefit		4.18	-	0.78
Total	2022-23	91.23	-	33.99

Notes to Accounts

(g) Outstanding balances arising from transactions with related parties

(INR in Lakhs)

Nature of Transactions	Year	Where control exists	Enterprises under common control
Receivables (net)			
Kirloskar Brothers Limited		10,577.31	-
The Kolhapur Steel Limited		-	50.82
SPP Pumps Ltd (UK)		-	19.58
	2023-24	10,577.31	70.41
Kirloskar Brothers Limited	7,387.42	-	85.58
The Kolhapur Steel Limited		-	9.72
SPP Pumps Ltd (UK)		-	
	2022-23	7,387.42	95.31
Payables(net)			
Kirloskar Brothers Limited		1.29	-
	2023-24	1.29	-
Kirloskar Brothers Limited		(281.03)	
	2022-23	(281.03)	-
Loan Receivable			
The Kolhapur Steel Limited		-	250.00
	2023-24	-	250.00
The Kolhapur Steel Limited		-	1,600.00
	2022-23	-	1,600.00

Note 35: Movement in provision

(INR in Lakhs)

Particulars	Compensated Absences	Product Warranty
Carrying amount as at 31 March 2022	202.08	1,554.93
Additional provision recognised during year	30.68	944.92
Amount utilised during the year	5.22	-
Unused amounts reversed during the year	-	367.69
Unwinding of provision during the year	-	-
Carrying amount as at 31 March 2023	227.54	2,132.16
Additional provision recognised during year	42.79	423.16
Amount utilised during the year	7.09	-
Unused amounts reversed during the year	-	1,263.37
Unwinding of provision during the year	-	-
Carrying amount as at 31 March 2024	263.24	1,291.95

Notes to Accounts

(INR in Lakhs)

Note 36: Expenditure on Research & Development

Particulars	For the year 31 March 2024	For the year 31 March 2023
A. On revenue account		
<u>Manufacturing expenses</u>		
Materials	82.79	62.92
Repairs & maintenance	0.99	1.07
<u>Payment to and provision for employee</u>		
Salaries , wages , bonus, allowances, contribution to provident & other funds	40.89	21.07
<u>Other expenses</u>		
Travel expenses	7.94	6.04
Others	9.53	6.48
Total	142.14	97.58
B. On capital account		
Assets capitalised	-	-
CWIP	-	-
Total	-	-
Total	142.14	97.58

Note 37: Segment Reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of managing director, chief financial officer and all other executive directors. Company operates in single segment as business of motors, pumps and its accessories .

KARAD PROJECTS AND MOTORS LIMITED**Notes to Accounts****Note 38: Fair Value of financial assets and liabilities**

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognised in the financial statements

(INR in Lakhs)

Sr. No.	Particulars	Carrying value	
		31 March 2024	31 March 2023
a)	Financial Asset		
	Carried at fair value through Other Comprehensive Income (FVTOCI)- Level 3		
	Unquoted investment	0.05	0.05
	Carried at amortised cost- Level 2		
	Investments-Non-Current	1,500.00	200.00
	Investments-Current	6,651.23	3,300.00
	Loans	250.00	1,600.00
	Other financial assets-Non-Current	90.05	504.35
	Other financial assets-Current	360.82	92.99
	Trade receivable	12,987.24	10,203.39
b)	Cash and cash equivalent and bank balances	2,975.35	5,624.27
		24,814.74	21,525.05
c)	Financial Liabilities		
	Carried at amortised cost- Level 2		
	Current borrowings at fixed rate of interest	-	-
	Other current financial liabilities	706.10	668.44
	Trade payable	6,436.58	4,785.49
	Provision for other expenses	310.00	235.00
		7,452.68	5,688.93

As per assessments made by the management fair values of all financial instruments carried at amortised costs (except as specified above in (a)) are not materially different from their carrying amounts since they are either short term in nature or the interest rates applicable are equal to the current market rate of interest.

The company has not performed a fair valuation of its investments in unquoted shares which are classified as FVOCI as the company believes that impact of change on account of fair value is insignificant.

Note 39: Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets include trade and other receivables, and cash and cash equivalents, that derive directly from its operations. Company is exposed to market risk, credit risk and liquidity risk.

Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and appropriate financial risk performance for company are accountable to the Board Audit Committee. This process provides assurance to the company's senior management that company's financial risk- taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite.

The board of directors reviews and agrees policies for managing each of these risk is summarised below

Notes to Accounts

1) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Company uses expected credit loss model for assessing and providing for credit risk. Refer note 39 for expected credit loss model analysis.

a) Trade receivable

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Trade receivables are non interest bearing and are generally on, 45 days to 120 days credit term. The ageing analysis of trade receivable as on reporting date is as follows

Year	Not Due	Past due but not impaired			Impaired	Total	Expected Loss	Net Receivable after impairment
		Less than 180 days	181 to 365 days	above 366 days				
31 March 2024	10,064.40	2,920.17	2.67	-	122.09	13,109.33	(122.09)	12,987.24
31 March 2023	8,711.66	1,479.79	11.93	-	84.65	10,288.03	(84.65)	10,203.38

Reconciliation of loss provision

Particulars	Trade receivables
Loss allowance as at 31 March 2023	84.65
Changes in loss allowance	37.44
Loss allowance as at 31 March 2024	122.09

b) Financial instruments and cash deposits

Credit risk from balances with banks, deposit with others and financial institutions is managed by the company's finance team in accordance with company's policy. Investments of surplus funds are made on the basis of Company policy and reviewed by Managing Director & Chief Financial Officer of the Company. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount as disclosed in Note 12A and 12B.

2) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic banks at optimised cost.

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments

31 March 2024						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 366 days	Total
Interest bearing borrowings	-	-	-	-	-	-
Other liabilities	706.10		706.10	-	-	706.10
Trade and other payable	6,436.58	-	5,405.17	1,015.48	15.93	6,436.58

KARAD PROJECTS AND MOTORS LIMITED**Notes to Accounts****Note 39: Financial risk management policy and objectives Contd..**

31 March 2023						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 366 days	Total
Interest bearing borrowings	-	-	-	-	-	-
Other liabilities	668.44		668.44	-	-	668.44
Trade and other payable	6,373.22	-	5,805.23	548.05	19.95	6,373.22

The company has access to fund based undrawn facilities at the end of the reporting period

	31 March 2024	31 March 2023
Floating rate	9.50%	8.85%
Expiring within one year	1,500.00	3,500.00
Expiring beyond one year	-	-

3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, proportion of financial instruments in foreign currencies are all constant at 31 March 2024. Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in local currency INR and in different foreign currencies. Company has foreign currency trade receivables, trade payables, advances, deposits and therefore is exposed to foreign exchange risk. The company has not hedged its foreign currency exposure by derivative instruments or otherwise. Below is the sensitivity analysis for the foreign currency risk.

Particulars	Currency	Amount in Foreign Currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial Assets					
	USD	1.85	1.08	154.64	89.10
Trade Receivables	GBP	0.19	0.10	19.48	9.85
	EUR	2.63	1.68	236.38	149.51
Financial liabilities					
	USD	-	0.75	-	61.39
Trade Payables	GBP	-	-	-	-
	EUR	0.05	0.15	4.75	13.54

Notes to Accounts

Note 39: Currency wise net exposure (Assets-Liabilities) Contd..

Particulars	Amount in Foreign Currency		Amount in INR	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
USD	1.85	0.34	154.65	27.72
GBP	0.19	0.10	19.48	9.85
EUR	2.58	1.53	231.70	135.97

Sensitivity Analysis

Currency	Amount in INR		Sensitivity %		Impact on profit (strengthen)		Impact on profit (weakening)	
	2024	2023	2024	2023	2024	2023	2024	2023
USD	154.65	27.72	3.91%	6.76%	6.04	1.87	(6.04)	(1.87)
GBP	19.48	9.85	3.02%	2.09%	0.59	0.21	(0.59)	(0.21)
EUR	231.70	135.97	3.07%	0.51%	7.12	0.69	(7.12)	(0.69)
Total	405.84	173.53			13.75	2.77	(13.75)	(2.77)

Note 40: Capital management

"For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Company's policy is to keep the gearing ratio between 20% and 30%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

A: Gearing ratio

Particulars	31 March 2024	31 March 2023
Loans and borrowings	-	-
Less: Cash and Bank balances	2,975.35	5,624.27
Net debt	-	-
Equity	23,592.85	19,873.70
Capital and net debt	23,592.85	19,873.70
Gearing ratio (not applicable since no net debt)	-	-

B: Dividend

Since the year end directors have recommended payment of final dividend of Rs. 1/- per fully paid equity shares (31 March, 2016 Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. This dividend is not recognised in the books of accounts at the end of the reporting period.

Particulars	31 March 2024	31 March 2023
(i) Equity Shares		
Final dividend for the year ended 31 March 2024 is Nil (31 March 2023- Rs 3.20) per fully paid share, paid during the year	446.48	-
Interim dividend for the year ended 31 March 2024 of Rs. 8.00 31 March 2023- Rs. 6.80) per fully paid share	1,116.20	948.77
(ii) Proposed Dividends not recognised at the end of the reporting period	-	446.48

At the year end the directors have not recommended the payment of final dividend (31 March 2023 - Rs. 3.20).

KARAD PROJECTS AND MOTORS LIMITED

Notes to Accounts

Note 41 : Ratios

Particulars	For the year 2023-24				For the year 2022-23				Variance (%)
	Numerator	Denominator	%	Days	Numerator	Denominator	%	Days	
Current Ratio [Current assets / current Liability]	27,917	9,060	3.08		25,442	8,399	3.03		1.7
Debt-Equity Ratio [Debt/Equity]	-	23,593	0.00		-	19,874	-		0.00
Debt service coverage Ratio [PBIDT/Interest + Interest Due] Debt service ratio has decreased as the company has more interest cost in current year and no principal repayment of debts	8,172	34	240.71		6,452	5	1,396.29		(82.76)
Return on Equity Ratio [(PAT + Exceptional Items) / (total op. Equity+total cl. Equity)/2].	5,954	21,733	27%		4,155	18,267	23%		20.44
Inventory Turnover [Consumption / (op. Inventory + cl. Inventory)/2]	36,993	3,745	9.88	37	37,952	4,075	9.31	39	6.05
Trade Receivables Turnover [Sales / (op. receivable + cl. Receivables)/2]	50,649	11,595	4.37	84	51,506	10,110	5.09	72	(14.26)
Trade Payable Turnover [Consumption/(op.payables+cl. Payables)]	36,993	5,611	6.59	55	37,952	6,201	6.12	60	7.72
Net Capital Turnover ratio [Sales/Working Capital]	50,649	18,857	2.69		51,506	17,044	3.02		(11.12)
Net profit Ratio [(PAT + Exceptional Items) / Sales]	5,954	50,649	12%		4,155	51,506	8%		45.72
PAT percentage increase due to excess provision of earlier years written back during the financial year.									
Return on Capital Employed [PBIT/TCE = (NW-DTA + DEBT + DTL)]	7,471	23,383	32%		5,882	19,459	30%		5.70
Return on Investment [ROI]= Interest received / Average Fix deposits]	755	9,116	8.28%		364	7,124	5.11%		62.17
Return on Investment improved due to higher investment with higher yield during the current year									

Notes to Accounts

Note 42: Corporate social responsibility expenditures

- (a) Amount required to be spent by the Company during the current year is Rs. 71.27 Lakhs
- (b) Amount spent by the Company during the current year is Rs. 71.37 Lakhs

The company as per its policy on Corporate Social Responsibility(CSR) and recommendation and approval of the CSR committee has spent / contributed Rs. 23.00 Lakhs towards Education through it's implementing agency Vikas Charitable Trust and an amount of Rs. 48.37 Lakhs on Health, Education and Rural development aid in local area in the current financial year.

There is no shortfall in the amount required to be spent on CSR as at end of the current year as well as previous year and excess of Rs. 0.10 lakhs to be carried forward for next year set off.

Note 43

During the year, Suppliers/Service providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required has been disclosed.

	Particulars	FY 2023-24
(a)	Principal amount remaining unpaid to any supplier as at the end of accounting year (including capital creditors)	982.92
(b)	Amount of interest paid by the buyer under MSMED along with payments made to supplier beyond appointed day during the accounting year	0.60
(c)	Interest due and payable for the period (where the principal has been paid but interest under MSMED not paid)	31.54
(d)	Interest accrued and remaining unpaid at the end of accounting year	35.34
(e)	Amount of further interest due and payable even in succeeding year, until when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23 of MSMED 2006.	1.61

Note 44

In respect of Project Division of the Company, balances of some of the trade payable and advance to vendors are pending reconciliation / confirmations. These balances are in the process of reconciliation and the net of adjustments, if any, arising out of this process of reconciliation will be accounted for after the completion of entire reconciliation process. Such net adjustments are not expected to have a material effect on the financial statements of the Company.

Note 45

As per the information available with the company, during the year the Company has not entered any transaction with struck off Companies as defined under Sec.248 of the Companies Act 2013 & there is no any outstanding balance with such companies as of 31st March 2024.

Note 46

The Company is not declared as wilful defaulter by any bank or financial institution.

Note 47 Disclosure In Respect Of Ind As 116, 'Leases'

Particulars	As at 31 March 2024	As at 31 March 2023
Opening right-to-use asset	-	-
Net addition / (deletion) during the year	190.15	-
Depreciation charged during the year	(4.88)	-
Closing right-to-use asset	185.27	-

Notes to Accounts**Note 47 Disclosure In Respect Of Ind As 116, 'Leases' (Contd.)**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liability	-	-
Net addition / (deletion) during the year	177.20	-
Lease payments including lease termination	-	-
Closing lease liability	177.20	-
Non-Current	136.09	-
Current	41.11	-

Contractual maturities of lease payments

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	55.00	-
Between 1-2 years	63.85	-
More than 2 years	80.17	-

1. The expenses related to payments not included in the measurement of lease liability and recognised as expenses in the profit and loss during the year- low value lease Rs. 0.40 lakh (PY Rs. 0.84 lakh)
2. Total cash outflow for lease arrangements during the year is Rs.38.26 Lakh
3. Company has not entered into any sublease arrangements.

The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.

Class of Asset	Dep. For the year		Addition during the year		Carrying Amount	
	2023-24	2022-23	2023-24	2022-23	As at 31 March 2024	As at 31 March 2023
Building	4.88	-	190.15	-	185.27	-

Note 48 - Audit Trail

The access to the database for accounting software is restricted only to single CIC basis admin user (changes if any are allowed only with prior approval of committee of senior management) depending on Company's operating and business needs after appropriately designing the internal controls and ensuring the operating effectiveness of such controls

Audit trail function for database level is disabled by default in SAP. Enabling that feature, can affect the performance of SAP system as whole. Considering above facts, management has not enabled audit trail at database level.

The Company uses services of third-party service provider (ADP India Private Limited) for payroll processing and said organisation has provided SOC 1 report covering sustainability of the design and operating effectiveness of controls. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third-party service provider had verified these controls and issue certificate for ISO standards.

Further, there is no direct integration between third party payroll system and KPML accounting system. Processed payroll data received from third party service provider, is duly verified by KPML's internal team before accounting the same.

Above mentioned does not impact the internal control environment of the Company.

Notes to Accounts

Note 49

- (a) 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 or entity, 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.
- (b) No funds have been received by the Company from any person or entity, 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.

Note 50

A) Disclosures required under section 186(4) of the Companies Act, 2013

Amount of Loans/advances in the nature of Loans outstanding from a fellow subsidiary as on 31 March 2024

Name of the company	Balance as at		Maximum outstanding	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
The Kolhapur Steel Limited	250.00	1,600.00	1,600.00	1,600.00

The company has granted loan at the interest rate of 9.5%, to The Kolhapur Steel Limited for the purpose of meeting its urgent financial commitments for carrying out improvements in the conditions or terms associated with its assets.

Note 51

Other Disclosures

- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- Company has not made any contribution to the political parties during FY 2023-24. (PY: NIL)

Note 52

- The company has not traded or invested in Crypto currency for virtual currency during the year.
- Previous years' figures have been regrouped and reclassified, wherever necessary to conform to current year's classification.

As per our report of even date attached

For and on behalf of the Board of Directors

For SHARP & TANNAN ASSOCIATES
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

K. TARANATH
Chairman
(DIN:00051697)

RAVINDRA SAMANT
Managing Director
(DIN: 07002226)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune : 22 April 2024

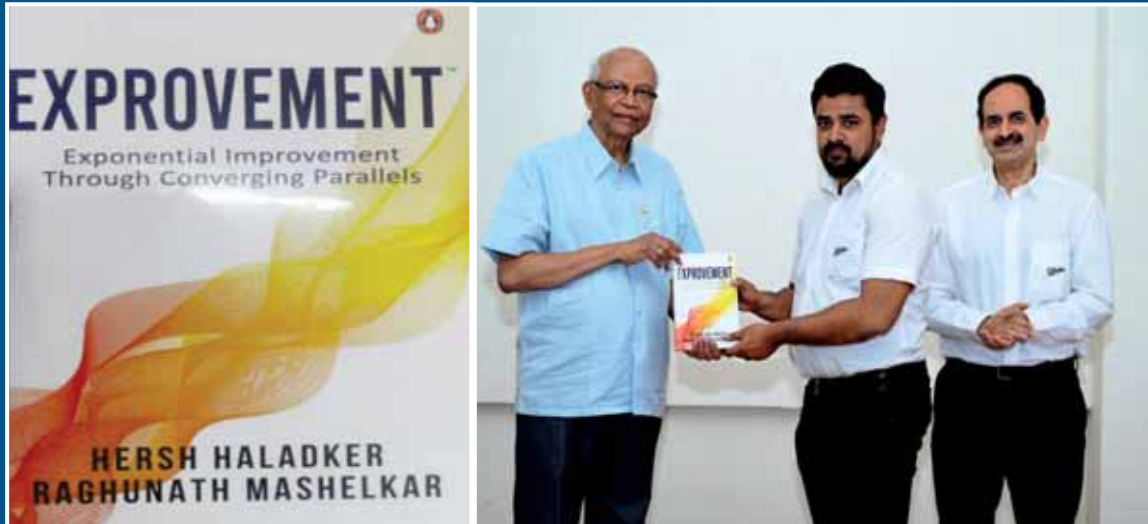
ANANTA DAS
Chief Financial Officer

Pune : 22 April 2024

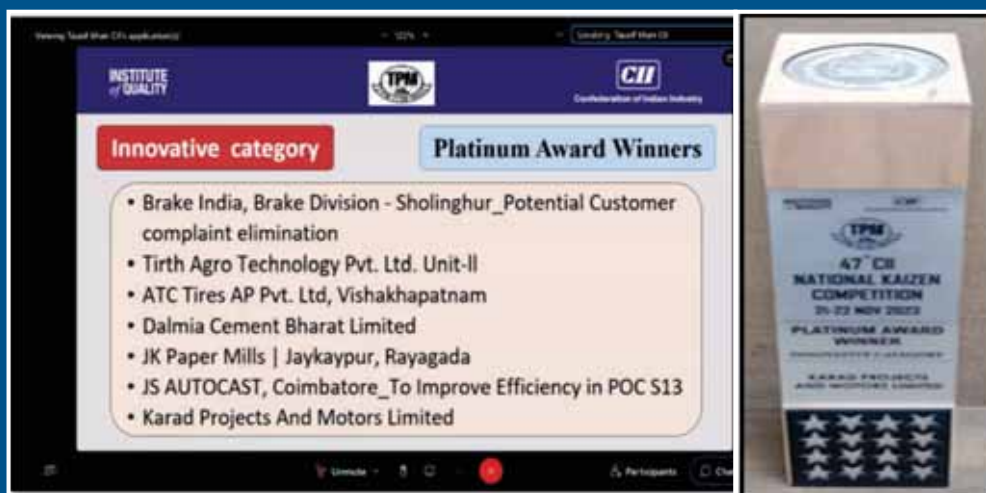
ANUJA LATURKAR
Company Secretary

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Awards & Recognition



Mr. Manish Chavan, Dy. Manager of Engineering, received an award presented by Dr. Raghunath Mashelkar and CMD Mr. Sanjay Kirloskar in recognition of his groundbreaking innovation - the "Smart Helmet". This achievement represents a significant milestone in the fields of innovation and technology.



KPML's Stamping Division Won Platinum Award in 47th CII National Kaizen Competition held in Nov 2023. KPML has qualified for Champions Trophy competition of CII- TPM circle.



KPML was nominated by CII- TPM circle for Champions Trophy Competition and won Jury Champion award in Innovation Category.



KARAD PROJECTS AND MOTORS LIMITED

(A 100% Subsidiary company of Kirloskar Brothers Limited)

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