KIRLOSKAR ELECTRIC COMPANY LTD.,

Converting energy to serve the billions

77th

Annual Report

2023-24

Regd. Office: No. 19, 2nd Main Road, Peenya 1st stage, Phase – I, Peenya, Bangalore – 560058

CIN: L31100KA1946PLC000415

54kW, 395V, 1200RPM, DC Machine, Frame KMDC808SPL

4 x 25/31.50 MVA, 33/6.90kV, Special Power Transformer

BOARD OF DIRECTORS	Mr. Vijay Ravindra Kirloskar	- Executive Chairman
	Mr. Anand Balaramacharya Hunnur	- Managing Director
	Mr. Sanjeev Kumar Shivappa	- Director (Finance) & Chief Financial Officer
	Mr. Satyanarayan Agarwal	- Independent Director
	Mr. Anil Kumar Bhandari	- Independent Director
	Mr. Kamlesh Suresh Gandhi	- Independent Director
	Dr. Ashok Misra	- Independent Director
	Mr. Ravi Ghai	- Independent Director
	Mr. Sarosh Jehangir Ghandy	- Independent Director *(resigned on June 02, 2023)*
	Mr. Mahendra Vellore Padmanaban	- Independent Director *(cessation on May 30, 2023)*
	Mr. Suresh Kumar	- Independent Director
	Mrs. Meena Kirloskar	- Non Executive Director
	Mr. K N Shanth Kumar	- Additional Independent Director (w.e.f May 23, 2024)
	Ms. Rukmini Kirloskar	- Additional Director (w.e.f May 23, 2024)
	Mr. Mohammed Saad Bin Jung	- Additional Independent Director (w.e.f. August 06, 2024)
	Dr. Pangal Ranganath Nayak	- Additional Independent Director (w.e.f. August 06, 2024)
CHIEF FINANCIAL OFFICER	Mr. Sanjeev Kumar Shivappa	
COMPANY SECRETARY AND COMPLIANCE OFFICER	Mr. Mahabaleshwar Bhat	
AUDITORS	K N Prabhashankar & Co.,	
BANKERS	Bank of India State Bank of India Dubai Islamic Bank, UAE	
REGISTERED OFFICE & CONTACT DETAILS	No. 19, 2nd Main Road, Peenya 1st Stage, Phase - I, Peenya, Bangalore – 560 058 CIN: L31100KA1946PLC000415 Ph no. 080-28397256; Fax no. 080-28396727 Email: investors@kirloskarelectric.com Website: www.kirloskarelectric.com	
FACTORIES LOCATION	Govenahalli, Nelamangala - Bengaluru Budhihal, Nelamangala - Bengaluru Gokul Road, Hubballi; Belwadi industrial area, Mysore; Hirehalli village, Tumkur; Kondhapuri, Pune.	

Information for Members:

77th Annual General Meeting (AGM)

Date	:	September 16, 2024
Day	:	Monday
Time	:	11.00 AM
Mode	:	**Video Conferencing**

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CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present 77th Annual Report of Kirloskar Electric Company Ltd for financial year 2023-24 on behalf of our Board of Directors. Despite a challenging operating environment, we have delivered positive financial results and continued to create value for all Stakeholders. As the Chairman of your Company, it is my privilege to reflect on our achievements, challenges and the path forward in this dynamic industry.

Similar to numerous other sectors, our industry is also undergoing a swift progression and novelty in technology. Throughout the year, even in the face of uncertain economic conditions we have overcome obstacles with tenacity and flexibility. The dynamic landscape of digitalization presents us with opportunities and challenges, encouraging us to adapt and advance. We upgrade the technology for our products from time to time to meet the market requirements and to keep our standing in the industry.

Three main pillars were at the center of these efforts: (1) enhanced capacity utilization; (2) cost optimization; and (3) stepping up our export focus. These pillars shaped our decisions and actions over the course of FY 2023–24. This year, we have improved capacity utilization and drastically optimized production costs for motors, transformers and switchgear.

One of our key achievements this year has been the successful supply of various transformers through EPCs for Bihar Water Supply Schemes and Punjab Water Supply Schemes, under Government of India's prestigious initiative viz, 'Jaljeevan Mission'. Besides this, we have successfully conducted short circuits tests in CPRI, on various transformers including 40MVA, 33/11.5kV, 16MVA, 11/3.45kV and supplied to various power projects including IOCL, NTPC, SAIL, Sikkim Power etc. Our notable achievements also include, the supply of our various products in association with leading EPCs, OEMs and OEAs catering to diverse applications and customer requirements strengthening our market position and driving sustained growth.

This year, we anticipate a dynamic growth trajectory fuelled by a number of key strategic considerations. Above all, our strong and robust order book for both customized product orders and standard products order establishes a solid groundwork for long-term expansion. These tailored solutions secure a consistent revenue stream, create long-lasting relationships and match our customers' needs.

Our product reach in the mobility sector is wide and constantly expanding. India's emphasis on domestic manufacturing and technological innovation offers us chances to expand and support the global mobility revolution. India's EV market has experienced a sharp increase in business this year. As the demand for EVs increase, there is a great opportunity for our business to grow and for us to contribute to the success of the EV ecosystem in India. Your Company is in a perfect position to take advantage of the revolutionary changes occurring globally and ride the waves. Your Company's proven manufacturing capabilities and preparedness for market competition put it in a strong position to take advantage of energy transition opportunities as they present themselves.

Establishing a work environment that fosters individual development, inclusivity and diversity is our goal as we strive to be the one of the best place to work for people who share our enthusiasm and values.

As we look ahead, our vision directs us and pushes us to achieve new standards of excellence, our objective keeps us grounded in providing all of our stakeholders with sincere and committed services, while our vision guides us forward by encouraging us to achieve even greater heights of excellence. Together, we will overcome obstacles, take advantage of chances and leave a lasting impression to ensure our success and prosperity on this life-changing journey.

I would like to conclude by sincerely thanking all of our stakeholders, including our esteemed bankers, suppliers, customers, dealers, channel partners, service providers, shareholders, employees and board members for their unwavering support, faith, and belief in our business. With our combined efforts, I have no doubt that we will keep breaking records, surpassing goals and leaving an enduring legacy.

Again, I want to thank you for your support and confidence.

Vijay R. Kirloskar
Executive Chairman

NOTICE OF 77th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **SEVENTY SEVENTH ANNUAL GENERAL MEETING ("AGM")** of the members of **KIRLOSKAR ELECTRIC COMPANY LIMITED** will be held on Monday, the 16th day of September, 2024 at 11.00 A.M through Video Conferencing / Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   a) the audited standalone financial statement of the Company for the year ended March 31, 2024 together with the reports of the Board of Directors and Auditors' thereon; and

   b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors' thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **'Ordinary Resolutions':**

   (a) ***"RESOLVED THAT*** *the audited standalone financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."*

   (b) ***"RESOLVED THAT*** *the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of the Auditors' thereon, as circulated to the members, be and are hereby considered and adopted."*

2. **To appoint a director in place of Mrs. Meena Kirloskar (DIN: 00286774), who retires by rotation and being eligible, offers herself for re-appointment** and in this regard to consider and if thought fit, to pass the following resolution as an **'Ordinary Resolution':**

   "RESOLVED THAT *in accordance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Meena Kirloskar (DIN: 00286774), Non Executive Director, who retires by rotation at this meeting and being eligible has offered herself for reappointment, be and is hereby appointed as a Director of the Company."*

3. **To appoint M/s. K N Prabhashankar & Co., as Statutory Auditors of the Company for the period of three years commencing from this annual general meeting till the conclusion of 80th annual general meeting of the Company and to fix their remuneration** and in this regard to consider and if thought fit, to pass the following resolution as an **'Ordinary Resolution':**

   "RESOLVED THAT *pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendations made by the Audit Committee and the Board of Directors ('the Board'), M/s. K N Prabhashankar & Co., Chartered Accountants, (FRN : 004982S), Bengaluru, be and are hereby reappointed as Statutory Auditor of the Company for a term of three (03) years from the conclusion of the 77th Annual General Meeting until the conclusion of the 80th Annual General Meeting of the Company, on such remuneration as may be mutually agreed by and between the Board and the statutory auditor of the Company, with the power to the Board to enhance the remuneration during the term of three years on such terms and conditions as may be mutually agreed."*

SPECIAL BUSINESS:

4. **Regularization of Additional Independent Director, Mr. Mohammed Saad Bin Jung (DIN: 00264525) by appointing him as an Independent Director of the Company** and to consider and if thought fit, to pass the following resolution as a **'Special Resolution':**

   "RESOLVED THAT *pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV, Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules framed thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Mohammed Saad Bin Jung (DIN: 00264525), Additional Director of the Company who holds office up to the date of this Annual General Meeting of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director and being eligible for appointment as an Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from August 06, 2024 and who shall not be liable to retire by rotation;*

   RESOLVED FURTHER THAT *the Board of Directors of the Company (including any Committee thereof) and the Company Secretary of the Company be and are hereby severally authorised to do all act(s), deed(s), matter(s) & thing(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

5. **Regularization of Additional Independent Director, Dr. Pangal Ranganath Nayak (DIN: 01507096) by appointing him as an Independent Director of the Company** and to consider and if thought fit, to pass the

following resolution as a **'Special Resolution':**

***"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV, Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules framed thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of directors, Dr. Pangal Ranganath Nayak (DIN: 01507096), Additional Director of the Company who holds office up to the date of this Annual General Meeting of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director and being eligible for appointment as an Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from August 06, 2024 and who shall not be liable to retire by rotation;*

***RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) and the Company Secretary of the Company be and are hereby severally authorised to do all act(s), deed(s), matter(s) & thing(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

6. **Revision in the remuneration payable to Mr. Vijay R Kirloskar (DIN: 00031253), Executive Chairman** and to consider and, if thought fit, to pass the following resolution as a **'Special Resolution':**

***"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee of the Board of Directors and the Board of Directors, the approval of members be and is hereby accorded to enhance the remuneration payable to Mr. Vijay R Kirloskar (DIN: 00031253), Executive Chairman of the Company, from ₹ 4,00,00,000/- (Rupees Four Crores only) per annum to ₹ 5,00,00,000/- (Rupees Five Crores only) per annum with effect from April 01, 2024 during his tenure as Executive Chairman of the Company and in accordance with the details as set out hereunder:*

(a) Salary:

₹1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

(b) Perquisites and allowances:

The Chairman shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, reimbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of ₹ 3,80,00,000/- (Rupees Three Crore Eighty Lakhs Only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the Company and such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income Tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of Company's car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the above perquisites & allowances mentioned herein above, the Executive Chairman shall be reimbursed actual medical expenses including actual cost of medical equipments, gadgets, devices and supplements and in case of hospitalization of the Executive Chairman, the Company shall reimburse the actual expenses incurred by him including expenses incurred by him on travel and treatment abroad, notwithstanding that the total will exceed the limit of ₹ 3,80,00,000/- (Rupees Three Crore Eighty Lakhs Only) per annum in any financial year.

Contribution to Provident Fund and to Superannuation Fund will not be included in the computation of the

ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income Tax Act.

The Executive Chairman shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

***RESOLVED FURTHER THAT** pursuant to Section 197 and all other applicable provisions of the Companies Act, 2013, where in any financial year during the currency of tenure of the appointment, the Company has losses or its profits are inadequate, the remuneration of ₹ 5,00,00,000/- (Rupees Five Crores only) per annum or such higher remuneration, as may be permitted according to the Schedule V to the Companies Act, 2013 be paid to Mr. Vijay R Kirloskar as minimum remuneration.*

***RESOLVED FURTHER THAT** any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do the such acts, deeds and things necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

7. **Revision in the remuneration payable to Mr. Anand B Hunnur (DIN: 06650798), Managing Director** and to consider and, if thought fit, to pass the following resolution as a **'Special Resolution':**

***"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee and the Board of directors of the Company, the consent of the members be and is hereby accorded to enhance the remuneration payable to Mr. Anand B Hunnur (DIN: 06650798), Managing Director of the Company, from ₹ 1,50,00,000/- (Rupees One Crores Fifty Lakhs only) per annum to ₹ 2,00,00,000 (Rupees Two Crores only) per annum with effect from April 01, 2024 during his term as Managing Director and in accordance with the details as set out hereunder:*

a. Salary:

₹ 43,50,000 /- (Rupees Forty Three Lakhs Fifty Thousand Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

b. Perquisites and allowances:

The Managing Director shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, re-imbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of ₹ 1,42,66,265/- (Rupees One Crore Forty Two Lakhs Sixty Six Thousand Two Hundred and Sixty Five Only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the company and with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income Tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of Company's car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the re-imbursement of ordinary medical expenses, in case of hospitalization of the Managing Director, the Board of directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of ₹1,42,66,265/- (Rupees One Crore Forty Two Lakhs Sixty Six Thousand Two Hundred and Sixty Five Only) per annum in any financial year.

The Managing Director shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

***RESOLVED FURTHER THAT** pursuant to Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V, where in any financial year during the tenure of the appointment, the Company has losses or its profits are inadequate, the remuneration of ₹ 2,00,00,000/- (Rupees Two Crores only) per annum be paid to Mr. Anand B Hunnur as the minimum remuneration.*

RESOLVED FURTHER THAT *any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do the such acts and deeds, necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

8. **Revision in the remuneration payable to Mr. Sanjeev Kumar S (DIN: 08673340), Director (Finance) & Chief Financial Officer** and to consider and, if thought fit, to pass the following resolution as a **'Special Resolution':**

"RESOLVED THAT *in terms of provisions of Section 196, 197,198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of members be and is hereby accorded to enhance the remuneration payable to Mr. Sanjeev Kumar S (DIN: 08673340), Director (Finance) & Chief financial Officer ('CFO') of the Company, from ₹ 55,00,000/- (Rupees Fifty Five Lakhs only) per annum to ₹ 65,00,000/- (Rupees Sixty Five Lakhs only) per annum during his term as Director (Finance) & CFO and in accordance with the details as set out hereunder:*

a. Salary:

₹ 10,49,994 /- (Rupees Ten Lakhs Forty Nine Thousand Nine Hundred and Ninety Four Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

b. Perquisites and allowances:

The Director (Finance) & CFO shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, re-imbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of ₹ 51,16,003/- (Rupees Fifty One Lakhs Sixteen Thousand and Three only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the Company with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income Tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of Company's car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the re-imbursement of ordinary medical expenses, in case of hospitalization of Mr. Sanjeev Kumar S, the Board of directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of ₹ 51,16,003/- (Rupees Fifty One Lakhs Sixteen Thousand and Three only) per annum in any financial year.

The Director (Finance) & CFO shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

RESOLVED FURTHER THAT *pursuant to Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V, where in any financial year during the tenure of the appointment, the Company has losses or its profits are inadequate, the remuneration of ₹ 65,00,000/- (Rupees Sixty Five Lakhs only) per annum be paid to Mr. Sanjeev Kumar S as the minimum remuneration.*

RESOLVED FURTHER THAT *any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do such acts and deeds, necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

9. **To appoint M/s.BMS Auditing, Chartered Accountants, PO Box no. 80394, Dubai, UAE as Auditor of the Branch office situated at Ajman, UAE** and to consider and, if thought fit, to pass the following resolution as an **'Ordinary Resolution':**

"RESOLVED THAT *pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. BMS Auditing, Chartered Accountants, are hereby appointed as Auditor of the Branch office of the Company situated at Ajman, UAE, to hold the office from the conclusion of this annual general meeting until the conclusion of next annual general meeting of the*

Company and on such remuneration, terms and conditions, the Board of directors may deem fit."

10. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024** and to consider and, if thought fit, to pass the following resolution as an **'Ordinary Resolution':**

***"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications (s) or re-enactment thereof, for the time being in force), M/s. Rao, Murthy & Associates (Firm Regn no. 000065), Cost Accountants, were appointed by the Board of Directors on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be paid the remuneration as set out in the Statement annexed to the notice convening this meeting.*

***RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized severally to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

NOTES:

(a) Pursuant to the General Circular no. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ('MCA') and Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), Companies are allowed to hold AGM through Video Conference ('VC') / Other Audio Visual Means ('OVAM'), without the physical presence of members at a common venue till September 30, 2024. Therefore the AGM of the Company is being held through VC / OAVM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM.

(b) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business is annexed hereto.

(c) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022, December 28, 2022 and September 25, 2023 the Company is providing facility of remote e-voting to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting at the time of conducting AGM through video conferencing (VC) or other audio visual means (OAVM) will be provided by CDSL.

(d) Pursuant to the MCA Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs and SEBI circular dated May 13, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

(e) The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

(f) The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

(g) Pursuant to Circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 02/2022, 03/2022, 10/2022 & 09/2023 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022, December 28, 2022 & September 25, 2023 respectively issued by Ministry of Corporate Affairs and Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 & October 07, 2023 issued by SEBI, the electronic copy of the Annual Report for the year ended March 31, 2024 and Notice of the 77th AGM are being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes by way of link. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com. A copy of the notice of the AGM and annual report are also available for download from the website of the Company at www.kirloskarelectric.com.

(h) For the purpose of AGM, the Register of Members of the Company will remain closed from Tuesday, September 10, 2024 to Monday, September 16, 2024 (both the days inclusive).

(i) Documents relating to any of the items mentioned in the Notice and the Explanatory Statement thereto are open for inspection at the registered office of the Company on any working day during the business hours of the Company.

(j) Members requiring information on the accounts and operations of the Company are requested to write to the Company at investors@kirloskarelectric.com atleast seven days before the date of the AGM to enable the management to keep the information ready.

(k) Members holding share(s) either singly or jointly in identical order in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holdings in one folio.

(l) Members holding shares in physical form are requested to notify any change of their addresses timely to the Company's Registrar and Share Transfer Agent (“RTA”), i.e., Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bengaluru – 560003. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participants.

(m) Members desirous of making a nomination in respect of their physical shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form No SH.13 duly completed to the secretarial department of the Company.

(n) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company.

(o) Voting through electronic means in compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has provided a facility to its members to exercise their votes electronically through e - voting service arranged through Central Depository Services (India) Limited (“CDSL”). The facility to cast votes through e-voting will also be made available during the AGM and members attending the AGM through Video Conference, but who have not cast/ exercised their rights to vote by remote e-voting shall be able to exercise their right to vote through e-voting during the AGM. Members who have cast their votes through remote e-voting prior to the AGM may attend the AGM through Video Conference but shall not be entitled to cast their votes again during the AGM. The instructions for remote e-voting are provided herein.

(p) Mr. Sudheendra P Ghali, Practicing Company Secretary (ACS No. 7037 / PCS No. 7537), has been appointed as scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

(q) THE INTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period will begin on Thursday, September 12, 2024 (from 9.00 A.M) and will end on Sunday, September 15, 2024 (at 5.00 P.M). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The cut-off date for e-voting facility is Monday, September 09, 2024 and members whose names appear in the register of members shall be entitled to avail the service. Any person who becomes a member of the Company after dispatch of the notice of the AGM and holding shares as on the cut-off date is requested to contact Company's RTA to get the details relating to his/her user-id and password. Members may call the RTA through telephone number +91-80-23460815-818 or

send an email request to irg@integrateindia.in.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional Members/retail Members is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated (December 9, 2020) on e-Voting facility provided by Listed Companies, Individual Members holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their Demat accounts in order to access e-Voting facility.

(v) Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KFIN/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin the system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re- directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Members (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk details for Individual Members holding securities in DEMAT mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886700 / 2499700

(vi) Login method for e-Voting and joining virtual meeting for Members other than individual Members & physical Members.

1. The members should log on to the e-voting website www.evotingindia.com during the voting period.
2. Click on "Shareholders / Members" tab.
3. Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For Members holding shares in DEMAT Form other than Individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT members as well as physical members) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the DEMAT account/folio number in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Date of Birth as recorded in your DEMAT account or in the Company records for the said DEMAT account or folio in DD/MM/YYYY format. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN of KIRLOSKAR ELECTRIC COMPANY LIMITED on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If DEMAT account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(vii) Facility for Non – Individual Members and Custodians–Remote Voting only:

- Non-Individual Members (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and/or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@kirloskarelectric.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(viii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

(ix) The results of the e-voting along with the scrutinizer's report shall be placed on the Company's website www.kirloskarelectric.com and on the website of CDSL within forty eight hours of the conclusion of AGM. The results will

also be communicated to the stock exchanges where the shares of the Company are listed.

(r) INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 07 days prior to meeting mentioning their name, Demat account number / folio number, email id, mobile number at investors@kirloskarelectric.com .The Members who do not wish to speak during the AGM but have queries may send their queries in advance atleast 07 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@kirloskarelectric.com . These queries will be replied to by the company suitably by email.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

(s) PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES / MOBILE NUMBERS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

i. For Physical Member: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to Company/RTA email id.

ii. For Demat Members: Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to Company/RTA's email id.

(t) Information about directors seeking appointment / reappointment given in the annexure appended hereto and forms part of this report.

Contact Details: Quick reference for members	
Company	**Kirloskar Electric Company Limited**
Registered Office	No. 19, 2nd Main Road, Peenya 1st stage, Phase-I, Peenya, Bengaluru – 560058 CIN: L31100KA1946PLC000415; Email: investors@kirloskarelectric.com Website: www.kirloskarelectric.com Tel No.: 080-28397256; Fax: 080-28396727
Registrar and Transfer Agent	M/s. Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bengaluru – 560003 CIN: U74900TN2015PTC101466 Email: irg@integratedindia.in Tel: 080-23460815-818; Fax: 080-23460819
e-Voting Agency	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com Tel:022- 23023333 and 022-23058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Nitin Kunder (022-23058738) or Mr. Bhavesh Pimputkar (022-23058543) or Mr. Rakesh Dalvi (022-23058542) (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com
Scrutinizer	Mr. Sudheendra P Ghali, Practising Company Secretary. E-mail ID: compliance@spghalico.com

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business is annexed hereto.

Item no. 4:

Based on the recommendation of the Nomination and Remuneration Committee ('NRC') and subject to approval by the members, the Board appointed Mr. Mohammed Saad Bin Jung (DIN: 00264525) as an Additional Director of the Company in the capacity of an Independent Director of the Company not liable to retire by rotation, for a term of five (05) consecutive years with effect from August 06, 2024.

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Mohammed Saad Bin Jung (DIN: 00264525) shall hold office as an additional director up to the date of this AGM and is thereafter eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a member, proposing Mr. Mohammed Saad Bin Jung's candidature for the office of Director. The profile and specific areas of expertise of Mr. Mohammed Saad Bin Jung are provided as Annexure 1 to this Notice.

Mr. Mohammed Saad Bin Jung has given his declaration to the Board, inter alia, that

(i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations,

(ii) he is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and

(iii) he is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of NRC and the Board, Mr. Mohammed Saad Bin Jung is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Section 149(10) of the Act, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of directors of the company and shall be eligible for re-appointment for another term of up to five (5) consecutive years on passing of a special resolution by the Company.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Mohammed Saad Bin Jung on the Board of the Company and accordingly the Board recommends the appointment of Mr. Mohammed Saad Bin Jung as an Independent Director as proposed in the Resolution set out at Item no. 4 of the accompanying Notice for approval by the Members. The Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection.

Except Mr. Mohammed Saad Bin Jung and/or his relatives, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way concerned with or interested, financially or otherwise, in the resolution at Item no. 4 of the accompanying notice.

The Board recommends the resolution at Item no. 4 to be passed as a Special Resolution.

Item no. 5:

Based on the recommendation of the Nomination and Remuneration Committee ('NRC') and subject to approval by the members, the Board appointed Dr. Pangal Ranganath Nayak (DIN: 01507096) as an Additional Director of the Company in the capacity of an Independent Director of the Company not liable to retire by rotation, for a term of five (05) consecutive years with effect from August 06, 2024.

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Dr. Pangal Ranganath Nayak shall hold office as an additional director up to the date of this AGM and is thereafter eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a member, proposing Dr. Pangal Ranganath Nayak's candidature for the office of Director. The profile and specific areas of expertise of Dr. Pangal Ranganath Nayak are provided as Annexure 1 to this Notice.

Dr. Pangal Ranganath Nayak has given his declaration to the Board, inter alia, that

(i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations,

(ii) he is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and

(iii) he is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of NRC and the Board, Dr. Pangal Ranganath Nayak is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Section 149(10) of the Act, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of directors of the Company and shall be eligible for re-appointment for another term of up to five (5) consecutive years on passing of a special resolution by the Company.

Given his experience, the Board considers it desirable and in the interest of the Company to have Dr. Pangal Ranganath Nayak on the Board of the Company and accordingly the Board recommends the appointment of Dr. Pangal Ranganath Nayak as an Independent Director as proposed in the Resolution set out at Item no. 5 of the accompanying Notice for approval by the Members. The Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection.

Except Dr. Pangal Ranganath Nayak and/or his relatives, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way concerned with or interested, financially or otherwise, in the resolution at Item no. 5 of the accompanying notice.

The Board recommends the resolution at Item no. 5 to be passed as a Special Resolution.

Item no. 6:

Mr. Vijay R Kirloskar (DIN: 00031253) was reappointed as Executive Chairman of the Company for a period of three (3) years effective from August 12, 2023 at a remuneration of ₹ 4,00,00,000/- (Rupees Four Crores only) per annum. Considering the performance of the Company, the Board of Directors at its meeting held on May 23, 2024, subject to the approval of the members of the Company and in terms of provisions of Section 196, 197, 198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee of the Board has revised the remuneration payable to the Executive Chairman upto ₹ 5,00,00,000/- (Rupees Five Crores only) per annum with effect from April 01, 2024.

Except Mr. Vijay R Kirloskar, Mrs. Meena Kirloskar and Ms. Rukmini Kirloskar none of the other directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 6.

Disclosures as per Schedule V to the Companies Act, 2013:

I. General information:

1) Nature of industry:

Kirloskar Electric Company Limited (KECL) was incorporated on 26th July 1946. KECL is engaged in the manufacturing of various electrical equipments such as motors, alternators & generators, transformers, DG sets etc., The Company has different product groups such as transformer and distribution group, large machine group, low voltage machine group, power generation group. Each product group is having different products within its broad range.

KECL is one of the leading Company in India which manufactures and supplies motors which are used in electric vehicles. The Company provides tailor made customized electrical equipments to its customers. The major Companies PSUs and EPCs are valued customers. The Company has overseas customers also.

2) Date of commencement of commercial production:

July 26, 1946.

3) Financial performance based on given indicators as on March 31, 2024:

Financial highlights have been provided in Board's report, which is appended to this annual report.

4) Foreign investments or collaborations, if any:

The Company has investments in the following companies abroad:

a.	Kirloskar (Malaysia) SDN BHD	₹ 5.29 lakhs for 300,000 shares
b.	Kirsons Trading Pte Ltd	₹ 11.20 lakhs for 56,250 shares

II. Information about Mr. Vijay R Kirloskar:

(1) Background details, recognition or awards, job profile and his suitability:

Mr. Vijay R Kirloskar aged 73 years, holds a masters degree in Management Science and Engineering from Worcester Polytechnic Institute, Worcester, MA, USA. He joined the services of the Company in the year 1978 as Manager-Production. Later on in the year 1982 he was appointed as President. He was appointed as Managing Director of the Company w.e.f 17th August, 1985. He was the Chairman of the Kirloskar Group during the period 1994 to 1998. The Group and the Company showed considerable growth under his stewardship. He has held various important positions in the industry. He was the Vice President of CII for the year 1998.

His education and experience makes him suitable to the office. He is in-charge of the overall management of the Company. Mr.

Vijay R Kirloskar is having a wide contact with the industries peers, which is resulting in availing ample number of opportunities like new customers, significant order booking, new contacts and new technology agreements.

Mr. Vijay R Kirloskar, being the promoter and experienced senior managerial personnel of the Company is playing a major role in the conduct of the overall business operations of the Company. The compensation package, which the Company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

(2) Past remuneration:

Details of past remuneration of Mr. Vijay R Kirloskar is provided below:

(Amount in ₹)

Year	Total Remuneration
As at March 31, 2021	2,61,60,000/-
As at March 31, 2022	2,61,60,000/-
As at March 31, 2023	4,00,00,000/-

(3) Remuneration proposed:

Annual remuneration to the Executive Chairman is proposed in the resolution under item no. 6 in the notice.

(4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin:

The compensation package, which the Company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

The details of the turnover and the remuneration paid in other comparable similar Industries are as shown in the table given below:

(₹ in Crores)

Sl No.	Name of the company	Turnover	Remuneration
1.	Voltamp Transformers Limited (2023-24)	1,616.22	7.25
2.	Bharat Bijlee (2022-23)	1,418.49	7.30
3.	Crompton Greaves Consumer Electricals Ltd (2023-24)	6,388.38	9.13
4.	Kirloskar Brothers Ltd (2023-24)	2,720.13	8.34

(Note: The above details have been considered from the public domain. The details may vary.)

(5) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except for Mr. Vijay R Kirloskar, Mrs. Meena Kirloskar and Ms. Rukmini Kirloskar, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution set forth under item no. 6 of the accompanying notice.

III. Other information:

(1) Reasons of loss or inadequate profits:

As the members are aware that the Lloyd Dynamowerke Gmbh & Co.KG (LDW) is a step down subsidiary of the Company set up in Germany. LDW was facing serious financial and operational challenges since the financial year 2011-12 after the economic slowdown in Europe. The Company infused capital from time to time and in the process its Balance Sheet exposure in the form of investment in LDW increased substantially up to ₹ 224.47 crores. LDW recorded huge losses in the year 2012-13 and 2013-14 and ultimately filed for insolvency in a German court of law. As a result of the investment in LDW, KEC experienced gradually incremental severe shortage of working capital, which led to low capacity utilization and thereby resulting into losses for the past financial years.

After the administrator was appointed to liquidate LDW, KEC lost total control over LDW and hence the investment was substantially impaired in the year 2014-15. Accumulation of operating losses continued weak business environment and funding of LDW together affected Company's operation. In order to address the whole issue, during the year 2014-15 the Company drew up a financial reorganization planning consultation with financial lenders (lenders). The lenders formed a Joint Lenders Forum (JLF) and corrective action plan was drawn up in mutual consultation with JLF members and Company.

Since then the Company has taken several initiatives to increase its profitability and to explore new opportunities of achieving cost reduction and price competitiveness. Mr. Vijay R Kirloskar is actively involved in this reorganization. Infusion of substantial

funds in the Company corroborates his commitment to the Company. His varied experience and exposure has come very handy to the business in these difficult times.

(2) Steps taken or proposed to be taken for improvement:

As mentioned earlier, the Company has already taken measures for improving its working, such as cutting costs at all levels, reduction in manpower, product development, improving working capital management etc., and the performance is getting improved. On the other hand, the Company has disposed off those assets of the Company and other vacant lands available which had no value to the operations of the Company. The Company has repaid its term loans and working capital loans borrowed under Joint Lenders Forum (JLF) from consortium banks / financial institutions.

(3) Expected increase in productivity and profit in measurable terms:

With the suggestions above, the Company expects to improve the productivity and margin also.

(4) Disclosures:

Applicable disclosures required under Section II of part II, Schedule V to the Companies Act, 2013 are mentioned in the Board's report under corporate governance attached to this annual report.

Further, the effective capital of the Company is negative and as required under Section II of part II, Schedule V to the Companies Act, 2013, the approval of members of the Company is sought by way of special resolution.

The Board of directors recommends the resolution set forth under item no. 6 of the accompanying notice for approval of the members.

Item no. 7:

Mr. Anand B Hunnur (DIN: 06650798) was appointed as Managing Director of the Company for a term of three (3) years effective from July 12, 2022 at a remuneration of ₹ 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum. The remuneration was increased from ₹ 1,02,00,000/- per annum to ₹ 1,50,00,000/- per annum with effect from January 25, 2023 and the same was approved by the members through postal ballot. The Board of directors at its meeting held on May 23, 2024, subject to the approval of the members of the Company and in terms of provisions of Section 196, 197, 198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee of the Board of Directors and considering the performance, various other attributes and in accordance with Nomination and Remuneration Policy of the Company has enhanced the remuneration payable to the Managing Director from ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs only) per annum to ₹ 2,00,00,000/- (Rupees Two Crore Only) per annum with effect from April 01, 2024.

Except Mr. Anand B Hunnur, none of the other directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 7.

Disclosures as per Schedule V to the Companies Act, 2013

I. General information: [Please refer to the disclosure under Item no. 6]

II. Information about Mr. Anand B Hunnur:

(1) Background details:

Mr. Anand B Hunnur, aged 63 years, holds a Bachelor's degree in Engineering from Karnataka University and has a diploma in Marketing & Sales Management from Bharatiya Vidya Bhavan, Mumbai. He was Regional Manager for western India from 2002 to 2005. Later he worked as an Associate Vice President–Marketing from 2006 to 2009. He worked in Emerson Electric Power Generation of India, Pune as Vice President – Marketing from 2009-2011 also worked as Head - Sales from April 2011 to October 2011 in WEG Electric India.

He joined Kirloskar Electric Company Limited as Vice President Sales & Marketing in 2011 and was appointed as Director - Sales in August 12, 2014. He was appointed as Managing Director from May 26, 2017. However, due to personal reasons he resigned from the position of Managing Director with effect from April 12, 2019. He was a Principal Advisor to the Executive Chairman of the Company with effect from June 1, 2019. He was appointed as Managing Director with effect from July 12, 2022 for a term of three years. He has been instrumental in generating good business, improving overall operations and achieving the targets. He possesses varied and rich experience in sales and marketing.

(2) Past remuneration:

Details of past remuneration of Mr. Anand B Hunnur is provided below:

(Amount in ₹)

Year	Total Remuneration
As at March 31,2021*	-
As at March 31,2022*	-
As at March 31,2023**	1,50,00,000/-

**Mr. Anand B Hunnur was appointed w.e.f July 12, 2022 and hence past remuneration from FY 2020-21 to FY 2021-22 was not applicable.*

*** He was paid remuneration of ₹1,02,00,000/- for the part of the year i.e., with effect from July 12,2022 and was revised to ₹1,50,00,000/- with effect from January 25,2023.*

(3) Remuneration proposed:

Annual remuneration to the Managing Director is proposed in the resolution under item no. 7 in the notice.

(4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The compensation package, which the company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

(₹ in Crores)

Sl No.	Name of the company	Turnover	Remuneration
1.	Voltamp Transformers Limited (2023-24)	1,616.22	5.47
2.	Bharat Bijlee (2022-23)	1,418.49	7.30
3.	Crompton Greaves Consumer Electricals Ltd (2023-24)	6,388.38	4.03
4.	Kirloskar Brothers Ltd (2023-24)	2,720.13	7.90

(Note: The above details have been considered from the public domain. The details may vary.)

(5) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Except for Mr. Anand B Hunnur, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution set forth under item no. 7 of the accompanying notice.

III. Other information: [Please refer to the disclosure under Item no. 6 from point (1) to (3)]

(4) Disclosures

Applicable disclosures required under Section II of part II, Schedule V to the Companies Act, 2013 are mentioned in the Board's report under corporate governance attached to this annual report.

Further, the effective capital of the Company is negative and as required under Section II of part II, Schedule V to the Companies Act, 2013, the approval of members of the Company is sought by way of special resolution.

The Board of directors recommends the resolution set forth under item no. 7 of the accompanying notice for approval of the members.

Item no. 8:

Mr. Sanjeev Kumar S (DIN: 08673340) was appointed as Director (Finance) & Chief Financial Officer ('CFO') of the Company for a term of two (02) years effective from February 14, 2023 at a remuneration of ₹ 55,00,000/- (Rupees Fifty Five Lakhs only) per annum. The Board of directors at its meeting held on May 23, 2024, subject to the approval of the members of the Company and in terms of provisions of Section 196, 197, 198 and Schedule V read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee of the Board of Directors, and considering the performance, various other attributes and in accordance with Nomination and Remuneration Policy of the Company, has enhanced the remuneration payable to the Mr. Sanjeev Kumar S, Director (Finance) & CFO from ₹ 55,00,000/- (Rupees Fifty Five Lakhs only) per annum to ₹ 65,00,000/- (Rupees Sixty Five Lakhs Only) per annum, with effect from April 01, 2024 which is within the limits specified in Schedule V to the Companies Act, 2013.

Except Mr. Sanjeev Kumar S, none of the other directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 8.

Disclosures as per Schedule V of the Companies Act, 2013

I. General information: [Please refer to the disclosure under Item no. 6]

II. Information about the appointee:

(1) Background details:

Mr. Sanjeev Kumar S aged about 61 years, is a graduate in Commerce and Masters in Business Administration (MBA) in finance from Bangalore University. He has about 38 years of post qualification experience and has worked extensively in the areas of finance. He has rich experience of more than 29 years in the finance department of the Company. He was promoted to Assistant Vice President - Finance and Chief Financial Officer of the Company with effect from August 12, 2017. Prior to his joining in the Company, he had worked with Companies like Karnataka Oil Seeds Growers Federation Limited, ROGCSU Limited etc.,

(2) Past remuneration:

The Details of past remuneration of Mr. Sanjeev Kumar S is provided below:

(Amount in ₹)

Year	Total Remuneration
As at March 31,2021	40,00,000/-
As at March 31,2022	40,00,000/-
As at March 31,2023	55,00,000/-

(3) Remuneration proposed:

Annual remuneration to the Director (Finance) & Chief Financial Officer of the Company is proposed in the resolution under item no. 8 in the notice:

(4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The compensation package, which the company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

The details of the turnover and the remuneration paid in other comparable similar Industries are as shown in the table given below:

(₹ in Crores)

Sl No.	Name of the company	Turnover	Remuneration
1.	Bharat Bijlee (2022-23)	1,418.49	7.30
2.	Voltamp Transformers Limited (2023-24)	1,616.22	5.47
3.	Crompton Greaves Consumer Electricals Ltd (2023-24)	6,388.38	4.48
4.	Kirloskar Brothers Ltd (2023-24)	2,720.13	1.31

(Note: The above details have been considered from the public domain. The details may vary.)

(5) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

Except Mr. Sanjeev Kumar S, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 8 of the notice.

III. Other information: [Please refer to the disclosure under Item no. 6 from point (1) to (3)]

(4) Disclosures

Applicable disclosures required under Section II of part II, Schedule V to the Companies Act, 2013 are mentioned in the Board's report under corporate governance attached to this annual report.

Further, the effective capital of the Company is negative and as required under Section II of part II, Schedule V to the Companies Act, 2013, the approval of members of the Company is sought by way of special resolution.

The Board of directors recommends the resolution set forth under item no. 8 of the accompanying notice for approval of the members.

Item no. 9:

The Company has a branch office at Ajman, UAE, and in accordance with the laws of that country and other regulatory requirements, approval is sought from the members to appoint BMS Auditing, Chartered Accountants, as branch auditors for the branch office at

Ajman, UAE, who shall hold the office from the conclusion of 77th Annual General Meeting till the conclusion of 78th Annual General Meeting of the Company. The members are further requested to authorize the Board of Directors of the Company to fix their remuneration.

None of the Directors, Key Managerial Person (KMP) or relatives of Directors and KMP is in any way concerned with or interested, financially or otherwise, in the resolution at item no.9 of the accompanying notice. The Board of directors recommends the resolution at item no.9 to be passed as an ordinary resolution.

Item no. 10:

The Board on the recommendation of the Audit Committee had approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors at remuneration as set out in the Statement annexed to the notice convening this meeting to conduct the audit of the cost records of the Company for the financial year ended March 31, 2024. In accordance with the provisions of the Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

None of the Directors or Key Managerial Person (KMP) or relatives of Directors and KMP, are in any way concerned with or interested, financially or otherwise, in the proposed Resolution under Item no.10 of the accompanying notice.

The Board of Directors of your Company recommends that the Resolution under Item no.10 be passed in the interest of your Company. The documents, if any, referred above, will be made available for inspection in electronic mode.

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure-1

Information about directors seeking appointment / reappointment

Name of director	**Mr. Mohammed Saad Bin Jung**
Age	63 years
Date of appointment	06.08.2024
Relationship with other directors / KMP	Mr. Mohammed Saad Bin Jung, is not related to any directors / KMP of the Company.
Brief resume along with skills and capabilities & expertise in specific functional areas.	Mr. Mohammed Saad Bin Jung, aged about 63 years, is a Bachelor of Arts from Nizam College / Osmania University. Mr. Jung is a former Indian cricketer who played first-class cricket from 1978 to 1984. He is now a columnist, a conservationist and an author. He was a member of the Wildlife Advisory Board of Karnataka. He runs a very successful jungle resort 'The Bandipur Cottage - Bush Betta near Bandipur', an angling camp in the heart of Cauvery Wildlife Sanctuary and a top-of-the-line boutique and exclusive wildlife camp on the banks of Kabini river near Nagarhole National Park (also known as Rajiv Gandhi National Park) called 'The Bison', all of which he had founded. Mr. Jung has established an angling camp from 1997-2010 for which BBC did a series called “The Accidental Angler” on the camp, established and runs Africa Expeditions & Safari (P) Limited and also established & runs Buffer Conflict Resolution Trust of India. Mr. Jung has Safari experience in Africa since 1995 and has extensive field experience along with market knowledge. He has appeared on various television channels as an Expert on sport and ecology. He has written three books, all with conservation themes: 'Wild Tales from the Wild'; 'Subhan and I: My Adventure with the Angling Legend of India'; and a novel, 'Matabele Dawn', a thriller set in Africa and India. In his endeavor to conserve wildlife, he has created awareness against ills that plague rural Indian society and has provided vocational training to the locals of the areas he worked in (near Bandipur, Nagarhole and Cauvery Wildlife Sanctuary of Karnataka), giving them hope and a way to make a legitimate living.
Directorship in other listed companies	NIL
Shareholding in the Company	NIL
Chairperson of committees	NIL
Member of committees	NIL

Name of director	**Dr. Pangal Ranganath Nayak**
Age	66 years
Date of appointment	06.08.2024
Relationship with other directors / KMP	Dr. Pangal Ranganath Nayak, is not related to any directors / KMP of the Company.
Brief resume along with skills and capabilities & Expertise in specific functional areas.	Dr. Pangal Ranganath Nayak aged about 66 years, is a MD, Diplomate of National Board (DNB) of General Medicine, holds Doctorate of Medicine in Cardiology and he has been a fellow associate of the Royal College of Physicians (FRCP) of Edinburgh, the Indian College of Cardiology, the Endovascular Society of India, and the Vascular Society of India. Dr. Nayak is a renowned cardiologist associated with Manipal Hospitals in Millers Road, Bangalore. Dr. Nayak is actively involved with various societies, including the Cardiological Society of India and the Association of Physicians of India, where he contributes his expertise and stays updated with the latest advancements in the field. Dr. Nayak is also recognized as an accomplished speaker and trainer at

	international and national meetings, where he communicates his knowledge and expertise with fellow medical professionals apart from his clinical practice. He is a recognized teacher of the Dip NB (cardiology) program and has mentored many trainees under his guidance. Moreover, he is an associate fellow of the American College of Cardiology, further demonstrating his dedication to his field and continuous professional development. Dr. Nayak has received multiple prestigious awards throughout his career. In 1991, he was awarded the Hargobind Overseas Training Fellowship, an esteemed recognition for his training in interventional cardiology in Australia and France, Nightingales Award in 2004, presented by the Hon'ble Chief Minister of Karnataka for outstanding services in the field of Cardiology. In 2010, he was honoured with the Rajatha Puraskar, further solidifying his reputation as a distinguished medical professional. **Field of Expertise** • Clinical Cardiology and Heart Failure • Evidence and clinical-based complex coronary, peripheral and structural interventions **Fellowship & Membership** • Fellow of the Royal College of Physicians of Edinburgh. • Indian College of Cardiology. • Endovascular Society of India. • Vascular Society of India. • Associate Fellow, American College of Cardiology. • Cardiological Society of India. • Association of Physicians of India.
Directorship in other listed companies	Prestige Estates Projects Limited
Shareholding in the Company	NIL
Chairperson of committees	NIL
Member of committees	NIL

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Board's report

Dear Shareholders,

The directors are pleased to present the 77th Annual Report of **Kirloskar Electric Company Limited** (hereinafter referred as "the Company" or "KECL") along with the audited financial statement for the financial year ended March 31, 2024. The consolidated performances of the Company and its subsidiaries have been referred to wherever required.

Review of performance and state of Company's affairs:

During the year under report, your Company achieved a total turnover of **₹ 55,735 /- Lakhs** (previous year ₹ 47,355/- Lakhs). The operations have resulted in loss of **₹ 839/- Lakhs** (previous year profit was **₹ 1,066/- Lakhs**) i.e., total comprehensive income for the period.

The financial summary and highlights are as follows:

(₹ in Lakhs)

PARTICULARS	Standalone		Consolidated	
	2023-24	2022-23	**2023-24**	2022-23
Revenue from operations	**55,735**	47,355	**55,735**	47,355
Other income (Net)	**793**	1,608	**799**	2,225
Total Revenue	**56,528**	48,963	**56,534**	49,580
Total Expense	**55,011**	46,374	**55,126**	46,473
Profit before Exceptional items	**1,517**	2,588	**1,408**	3,108
Exceptional Items	**-**	-	**-**	-
Profit / (Loss) before tax	**1,517**	2,588	**1,408**	3,108
Tax Expense	**-**	0.16	**-**	0.16
Profit / (Loss) after tax	**1,517**	2,588	**1,408**	3,107
Total other comprehensive income	**(2,356)**	(1,522)	**(2,356)**	(1,522)
Total comprehensive income for the period	**(839)**	1,066	**(948)**	1,586

Note: *The above figures are extracted from the audited standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS).*

Dividend:

In view of the accumulated losses, the Board of Directors of your Company has not recommended any dividend for the year under review.

Transfer to reserves:

In view of the accumulated losses, the Board of Directors of your Company has not transferred any amount to the reserves for the year under review.

Change in the nature of business:

There was no change in nature of the business of the Company during the financial year 2023-24.

Share Capital:

As on March 31, 2024, the paid up share capital of your Company stood at ₹ 66,41,40,710/- divided into 6,64,14,071 equity shares of ₹ 10/- each.

Disclosure under section 43(a)(ii) of the Companies Act, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Disclosure under section 54(1)(d) of the Companies Act, 2013:

The Company has not issued any sweat equity shares during the financial year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Disclosure under section 55(2) & 77 of the Companies Act, 2013:

The Company has not redeemed any shares / debentures during the financial year under review and hence no information as per provisions of Section 55(2) & 77 of the Act read with the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Disclosure under section 62(1)(b) of the Companies Act, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme ('ESOS') during the financial year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Disclosure under section 67(3) of the Companies Act, 2013:

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

Transfer to Investor Education and Protection Fund:

During the year under review, no unclaimed / unpaid dividend and the corresponding shares were transferred to Investor Education and Protection Fund ("IEPF").

The details of Nodal Officer of the Company, in line with the provisions of IEPF Regulations are available on the website of the Company at https://kirloskarelectric.com/investors/investors-information/investor-contacts.html.

As required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), during the year 2023-24, matured fixed deposits (cumulative & non-cumulative) aggregate to the sum of *₹ 7,40,000/- (Rupees Seven Lakh Forty Thousand Only)* along with the interest amount aggregated to *₹ 81,445/- (Rupees Eighty One Thousand Four Hundred and Forty Five only)*, were transferred to the Investor Education and Protection Fund ("IEPF") after the expiry period of seven years.

Fixed deposits:

SL.No.	Particulars	(₹in Lakhs)
1.	Accepted / renewed during the year	Nil
2.	Remained unpaid or unclaimed at the end of the year.	10,00,000*
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:- • At the beginning of the year • Maximum during the year • At the end of the year	N/A
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Act;	Nil

**The matured & unclaimed deposit of ₹10,00,000/- (Rupees Ten Lakhs only) along with the interest amount ₹29,795/- (Rupees Twenty Nine Thousand Seven Hundred and Ninety Five Only) has also been transferred to IEPF in April 2024. These are the deposits which are matured but are unclaimed. During the year under review, the Company has transferred the matured deposits to IEPF, as the Company did not receive claim from the deposit holders.*The Company took all efforts to contact the FD Holders by sending them reminders.

The Company also has ₹ 17,97,583/- in form of liquid assets as required under Section 73 of the Companies Act, 2013 read with rule 13 of the Companies (Acceptance of Deposits) Amendment Rules, 2018.

Credit Ratings:

Information regarding credit ratings obtained by the Company for the year under review has been given under the Corporate Governance Report which forms part of this Annual Report.

Subsidiaries, associate companies & joint ventures:

The Company has four wholly owned subsidiaries, one step-down subsidiary, one associate Company and one Joint Venture.

The consolidated financial statements of the Company and its Subsidiaries are prepared in accordance with the applicable accounting standards, issued by the Institute of Chartered Accountants of India, and forms part of this Annual Report.

Neither the Executive Chairman and nor the whole-time directors of the Company receive any remuneration or commission from any of its subsidiaries or associate Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the reports on the performance and financial position of each of the subsidiary and associate companies have been provided in **Form AOC-1** appended to this report.

Directors and Key Managerial Personnel:

Your Company has a well-diversified Board comprising of directors having skills, competencies and expertise in various areas to ensure effective corporate governance of the Company.

As on March 31, 2024, the Board comprised of 10 (ten) directors, out of which 6 (six) were Non-Executive Independent Directors, 01 (one) Non Executive Non Independent Woman Director and 03 (three) Executive Directors. The Company is in compliance with the regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 ("SEBI Listing Regulations").

In accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Meena Kirloskar (DIN: 00286774), a Non-executive Director being longest in the office, shall retire by rotation and being eligible, has offered herself for re-appointment. The resolution seeking members' approval for her re-appointment forms part of the AGM Notice.

During the year under review, Mr. Sarosh J Ghandy (DIN: 00031237), Non executive Independent Director of the Company resigned due to health reasons on June 02, 2023 and Mr. Mahendra V P (DIN: 00033270), Non-Executive Independent Director of the Company passed away on May 30, 2023. Mr. Vijay R Kirloskar (DIN: 00031253) was re-appointed as an Executive Chairman (Whole-time director) of the Company for a term of three (03) years, w.e.f August 12, 2023 and Mr. Suresh Kumar (DIN: 02741371), was appointed as an Independent Director of the Company for a term of five (05) consecutive years with effect from August 14, 2023.

The tenure Independent Directors, namely Mr. Kamlesh Gandhi (DIN: 00004969), Mr. Satyanarayan Agarwal (DIN: 00111187) & Mr. Anil Kumar Bhandari (DIN: 00031194) shall expire on September 21, 2024.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2024 were Mr. Vijay R Kirloskar, Executive Director, Mr. Anand B Hunnur, Managing Director, Mr. Sanjeev Kumar S, Director (Finance) & Chief Financial Officer and Mr. Mahabaleshwar Bhat, General Manager – Corporate Affairs & Company Secretary.

During the year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them, if applicable, for the purpose of attending Board/ Committee meetings of the Company.

The Board has appointed Ms. Rukmini Kirloskar (DIN: 00309266) as an Additional Director of the Company with effect from May 23, 2024, who shall hold the office upto the date of ensuing annual general meeting of the Company and subject to approval of members of the Company shall be appointed as a director liable to retire by rotation. Further, as per Regulation 17 (1C) of SEBI Listing Regulations, the Company has sought approval of members of the Company by way of postal ballot (e-voting period from July 23, 2024 to August 21, 2024) for regularization of Director. The result of the e-voting shall be announced in terms of provisions of the Companies Act, 2013 by the Company on or before August 22, 2024.

The Board has appointed Mr. K N Shanth Kumar (DIN: 00487956) as an Additional Independent Director with effect from May 23, 2024, who shall hold the office upto the date of ensuing annual general meeting of the Company and subject to approval of members of the Company shall be appointed as an Independent Director for a term of five consecutive years, with effect from May 23, 2024. Further, as per Regulation 17 (1C) of SEBI Listing Regulations, the Company has sought approval of members of the Company by way of postal ballot (e-voting period from July 23, 2024 to August 21, 2024) for regularization of Director as an Independent Director. The result of the e-voting shall be announced in terms of provisions of the Companies Act, 2013 by the Company on or before August 22, 2024.

The Board has appointed Mr. Mohammed Saad Bin Jung (DIN: 00264525) as an Additional Independent Director with effect from August 6, 2024, who shall hold the office upto the date of ensuing annual general meeting of the Company and subject to approval of members of the Company shall be appointed as an Independent Director for a term of five consecutive years, with effect from August 6, 2024. Approval of members has been sought for regularization which forms part of the Notice of 77th AGM.

The Board has appointed Dr. Pangal Ranganath Nayak (DIN: 01507096) as an Additional Independent Director with effect from August 6, 2024, who shall hold the office upto the date of ensuing annual general meeting of the Company and subject to approval of members of the Company shall be appointed as an Independent Director for a term of five consecutive years, with effect from August 6, 2024. Approval of members has been sought for regularization which forms part of the Notice of 77th AGM.

Independent Director proposed to be appointed:

a. The Board of directors considers that on account of vast knowledge and experience of Mr. K N Shanth Kumar (DIN: 00487956), Non-Executive Director of the Company, his appointment as Non-Executive Independent Director of the Company will be in the best interest of the Company. As stated above, as on the date of this report, the Company has sought approval of members by way of postal ballot.

b. The Board of directors considers that on account of vast knowledge and experience of Mr. Mohammed Saad Bin Jung (DIN: 00264525), Non-Executive Director of the Company, his appointment as Non-Executive Independent Director of the Company will be in the best interest of the Company.

c. The Board of directors considers that on account of vast knowledge and experience of Dr. Pangal Ranganath Nayak (DIN: 01507096), Non-Executive Director of the Company, his appointment as Non-Executive Independent Director of the Company will be in the best interest of the Company.

Declaration by Independent Directors

In terms of the provisions of Section 149(7) of the Companies Act, 2013, the Company has received declarations from all the Independent Directors stating that they continue to meet the criteria of independence as provided under the provisions of Section 149(6) of the Companies Act, 2013 read with the Rules made there under and the SEBI Listing Regulations.

In terms of regulation 25(8) of the SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that Independent Directors meet the criteria of independence as mentioned under regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

All Independent Directors have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and the Code of Conduct for Directors and senior management personnel formulated by the Company.

All Independent Directors have registered their names in the Independent Director's Databank. In the opinion of the Board, the Independent Directors so appointed / re-appointed possess the requisite expertise, experience and proficiency and are of integrity.

Evaluation of Directors, Committees and the Board:

The evaluation process has been explained in the Corporate Governance Report which forms part of the annual report.

Number of meetings of the Board of Directors and its Committees:

The Board of directors met 07 (Seven) times during the financial year 2023-24 under review out of which 06 (Six) meetings were held through Video Conference mode / other audio visual means and 01 (One) was physical meet.

The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI

The Board meetings were held on May 19, 2023, May 30, 2023, July 17, 2023, August 14, 2023, November 10, 2023, February 12, 2024 and March 28, 2024.

The composition and the details of the meetings of the Board and its Committee held during the year are contained in the Corporate Governance Report which forms part of the annual report.

Nomination and Remuneration Policy:

The Nomination and Remuneration Committee is responsible for recommending to the Board, a policy relating to the appointment and remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is available on the website of the Company at https://kirloskarelectric.com/investors/investors-information/policies.html.

Features of Nomination and Remuneration Policy:

- The policy has been framed in line with the Company's philosophy to ensure equitable remuneration to all the directors, key managerial personnel (KMP) and employees of the Company.
- The policy lays down the criteria, terms and conditions including qualifications and positive attributes for identifying persons who are qualified to become directors (executive and non-executive / Independent) and persons who may be appointed in senior management and key managerial positions of the company.
- The policy determines the remuneration of Directors, Key Managerial Personnel and other employees based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- This Policy is divided in three parts:

  Part – A: covers matters to be dealt by the committee.

  Part – B: covers appointments and nominations.

  Part – C: covers remuneration and perquisites etc.

Risk Management Policy:

Your Company has devised and implemented a comprehensive 'Risk Management Policy' which provides for identification, assessment and control of risks that the company would face in the normal course of business and mitigation measures associated with them. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. The

Risk management policy has been appended to this report as **Annexure-I.**

Managerial remuneration:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed in the **Annexure - IV.**

Particulars of employees:

Iin terms of the provisions of Section 197(12) of the Companies Act, 2013 read with rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing disclosures pertaining to remuneration and also the names and other particulars of the employees drawing remuneration in excess of limits set out in the said rules are provided in a separate Annexure to the Board's Report which forms part of the annual report. The Report and the accounts are being sent to the Members excluding the aforesaid annexure and in terms of Section 136 of the Companies Act 2013, the said annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary at investors@kirloskarelectric.com

Annual Return:

According to the provisions of Section 134(3)(a), a copy of annual return i.e., Form MGT-7 for the year ended March 31, 2023 has been placed on the Company's website: https://kirloskarelectric.com/investors/investors-information/financial.html.

Director's Responsibility Statement:

We, the Directors of your Company, confirm, to the best of our knowledge and ability that:-

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

(b) we 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 / loss of the Company for that period;

(c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) we have prepared the annual accounts on a going concern basis;

(e) we have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

(f) we have devised proper systems to ensure compliance with the provisions of all applicable laws to the Company and that such systems were adequate and operating effectively.

Particulars of loans, guarantee, investments and securities:

There were no loans and advances, guarantees, investments made or security given to any Body Corporate by the Company during the financial year 2023-24.

Particulars of loans, advances, investments as required under the listing regulations:

The details of related party disclosures with respect to loans, advances, investment at the year end and maximum outstanding amount thereof during the year as required (under part A of Schedule V of the Listing Regulations) have been provided in the notes to the financial statement of Company.

Your directors draw attention of the members to note no. 17 & 35(9) of the standalone financial statements which sets out the details of loan and advance, guarantee or investment.

Particulars of contracts or arrangements with related parties:

All contracts/ arrangements/ transactions entered by the Company during the FY 2023-24 with related parties were on an arm's length basis and in the ordinary course of business and approved by the Audit Committee. Certain transactions, which were repetitive in nature, were approved through omnibus route.

There were no material transactions of the Company with any of its related parties as per the Act. Therefore the disclosure of the Related Party Transactions as required under Section 134(3)(h) of the Act in AOC-2 is not applicable to the Company for FY 2023-24 and, hence, the same is not required to be provided.

During the FY 2023-24, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses, as applicable. The Policy on Related Party Transaction is

available on the Company's website: https://www.kirloskarelectric.com/images/pdf/investor/policies/Policy-on-related-party-transactions.pdf.

Your directors draw attention of the members to note no. 35(9) to the standalone financials statement which sets out the related party disclosures.

Corporate Social Responsibility:

Since criteria's for the applicability of CSR spending are not attracted to the Company, there was no obligation for the Company to spend CSR amount for the FY 2023-24. However the CSR committee has been constituted and also CSR policy has been framed.

The policy can be accessed at the following URL: https://www.kirloskarelectric.com/investors/investors-information/policies.html.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company:

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the Company. However, as explained above the CSR provisions are not applicable to the Company for the FY 2023-24 as per the requirements mentioned in the Companies Act, 2013.

Conservation of energy, technology absorption, Research & development and foreign exchange earnings and outgo:

The relevant data pertaining to conservation of energy, technology absorption and other details are given in the **Annexure - II**, which forms part of this report.

Material Changes affecting the Company:

There have been no material changes and commitments affecting the financial positions of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

Significant and Material orders passed by the Regulators or Courts:

There were no significant and material orders passed against the Company by the regulators or courts or tribunals during financial year 2023-24 impacting the going concern status and Company's operations in future.

Vigil mechanism for Directors and Employees:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal procedural course to the directors and employees to report their concerns about any poor or unacceptable practices or any event of misconduct or violation of Company's code of conduct. The purpose of this policy is to provide a framework to secure whistle blowing incidents and to protect the employees who are willing to raise concerns about serious irregularities within the Company. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of Vigil Mechanism is available on the Company's website at https://kirloskarelectric.com/investors/investorsinformation/policies.html.

Statutory auditor:

Pursuant to the provisions of section 139 and other applicable sections of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended, the Company at its 72nd AGM appointed M/s. Prabhashankar & Co., Chartered Accountants (Firm Registration No: 004982S) as the Statutory Auditors for a period of 5 years and the appointment term is expiring on the conclusion of ensuing AGM. Your Board of Directors has proposed to reappoint M/s. Prabhashankar & Co., for a period of 3 years from the conclusion of 77th Annual General Meeting till the Conclusion of 80th Annual General Meeting.

Pursuant to Section 141 of the Act, the auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company. The resolution for reappointment of statutory auditors forms part of Notice of 77th AGM.

Auditors' Report:

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act.

The Auditors' Report is enclosed with the financial statements in this Report. The Statutory Auditors were present in the last AGM.

Branch auditor:

M/s. BMS Auditing, Chartered Accountants, UAE were reappointed as the auditors for conducting audit of sales office at Ajman, UAE. Based on the recommendation of the Audit Committee, the Board of Directors of the Company has proposed to appoint, M/s. BMS Auditing, Chartered Accountants, as auditors for conducting audit of sales office at Ajman, UAE and to hold the office from the conclusion of 77th Annual General Meeting until the conclusion of 78th Annual General Meeting of the Company subject to the

approval of the members of the Company.

Internal auditor:

The Company has appointed B K Ramadhyani & Co. LLP, Chartered Accountants (LLP Registration no.AAD-7041), Bengaluru as its internal auditors for the year 2023-24.

Cost auditor:

M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration no. 000065), were appointed as cost auditors of the Company for the financial year ended March 31, 2024. The Board of Directors of your Company has fixed ₹450,000/- (Rupees Four Lakhs Fifty Thousand only) as audit fees, which requires ratification by the members of the Company in terms of the applicable provisions of the Companies Act, 2013. Accordingly, a resolution seeking members' approval has been set forth in the notice of the 77th Annual General Meeting of the Company.

Disclosure under section 148(1) of the Companies Act, 2013:

During the period under review, the Company has conducted the audit of cost records and maintained the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

Secretarial auditor:

M/s. S P Ghali & Co., Company Secretaries, Belgaum were appointed as secretarial auditors of the Company to conduct secretarial audit for the financial year 2023-24 in terms of the provisions of Section 204 of the Companies Act, 2013. The audit report is enclosed as **Form MR - 3.**

Explanations or comments on auditors' qualifications / adverse remarks / emphasis on matters:

a. The Company has made representation to the stock exchanges vide., its letter no. Sect./72/2023-24 dated November 10, 2023 regarding clarification for delay in intimation and also the Company has paid the fine to both the stock exchanges.

b. The subsidiaries are taking active steps to repay the dues of the Company, from collection of book debts assigned and from disposal of immovable properties transferred apart from debts transferred as referred in the auditor's qualification. The Board of directors is confident of realization of entire amounts due from the Subsidiaries or realizing much more amount from the sale of immovable properties.

c. The Company is in the process of completing the review and reconciliation of receivables / book debts and in our opinion any further provision required will not have material impact on the financial results of the Company and we are confident of realizing the book debts

The detailed Company's explanation thereto has been given in the relevant notes to accounts.

Secretarial Standards:

During the financial year 2023-24, the Company has complied with provisions of applicable Secretarial standards issued by the Institute of Company Secretaries of India.

Reporting of Fraud by Auditors:

During the year, under section 143(12) of the Companies Act 2013, neither the Internal Auditors, Statutory Auditors nor Secretarial Auditors have reported to the Audit Committee or the Board of the Company any material fraud by its officers or employees therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Management Discussion and Analysis:

The Management Discussion and Analysis Report ("MDAR") for the year under review, as prescribed under Part B of Schedule V read with Regulation 34 of the SEBI Listing Regulations is appended hereto as **Annexure – III** and forms part of this report.

Details in respect of adequacy of internal financial controls with reference to the financial statement:

The Company has a robust system of internal financial control, which is in operation. The internal financial controls have been documented, digitized and embedded in the day to day affairs of the business process of the Company. The effectiveness of the internal financial controls are obtained through management reviews at regular intervals, assessments, monitoring by the functional experts as well as auditing of the internal control systems by the internal auditors during the course of their audits. We believe that these systems provide better assurance that our internal financial control systems are well designed and are operating effectively.

Corporate Governance:

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI").

Your Company's corporate governance report for the financial year 2023-24 is appended to this annual report. A certificate on the status of compliance on corporate governance is also appended and forms part of this annual report.

Prevention of Sexual Harassment at Workplace:

Your Company has zero tolerance policy in case of sexual harassment at workplace and committed to provide a healthy environment to each and every employee of the Company. Your Company has in place 'Policy on Sexual Harassment Redressal' and all employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has complied with the provisions of section 11(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('the POSH Act') relating to the constitution of Internal Complaints Committee and in terms of section 22 of 'the POSH Act' read with Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Rules, 2013, we report as follows for the year ended on March 31, 2024:

Sl. No	Particulars	Status
1	No of complaints received in the year	Nil
2	No of complaints disposed off in the year	Nil
3	Cases pending for more than 90 days	Nil
4	No of workshops and awareness programme(s) conducted in the year	4
5	Nature of action by employer or District office, if any	Nil

Participation and voting at 77th AGM:

Pursuant to Circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 10/2022 & 09/2023 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 28, 2022 & September 25, 2023 respectively issued by Ministry of Corporate Affairs and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI, the 77th AGM of the Company will be held through VC/OAVM. Electronic copy of the Annual Report for the year ended March 31, 2024 and Notice of the AGM are being sent to all the members electronically whose email IDs are registered with the Company / Depository Participants(s) for communication purposes. A copy of the notice of the AGM and annual report are also available for download from the website of the Company at www.kirloskarelectric.com.

Disclosure with respect to compliance to SEBI Listing Regulations, as amended from time to time:

The details with respect to Compliance with the SEBI Listing Regulations during the year are contained in the Corporate Governance Report which forms part of the annual report.

Corporate Insolvency Resolution Process (CIRP):

The Company received two petitions for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 which were filed before the National Company Law Tribunal ('NCLT'), Bengaluru Bench against the Company on November 24, 2023. Subsequently, both the petitions were dismissed by the NCLT, Bengaluru Bench vide., orders dated *May 20, 2024*. Appeals against both the orders of the NCLT Bengaluru Bench were filed before the National Company Law Appellate Tribunal, Chennai on June 18, 2024. The necessary disclosures have been made to the stock exchanges from time to time.

The aforesaid alleged claims are already been disputed by the Company and is the subject matter of pending proceedings filed by the Company before the Additional City Civil and Sessions Court, Bangalore.

Acknowledgements:

The Board of Directors takes the opportunity to express its sincere appreciation for the continued support and confidence received from the Company's bankers, customers, suppliers, depositors and the shareholders.

The Company considers its employees as its most valuable asset. Employees at all levels have put in their best to the services of the Company and the Board puts on record the sincere appreciation of their dedication and loyalty.

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure – I

RISK MANAGEMENT POLICY

Risk management is the process of indentifying, measuring and minimizing uncertain events affecting resources. Enterprise risk management is about optimizing the process with which risks are taken and managed. The Company needs to assess which method best suits its objectives and its business. Risk management oversees and ensures the integrity of the process with which risks are taken. An attempt has been made by way of this document to identify the risk associated with the Company and the policies required to be adopted to mitigate the same.

Risk Management

i) The Board, its Audit Committee and its executive management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.

ii) The Board should also affirm and disclose in its report to members that it has put in place critical risk management framework across the Company, which is overseen once every six months by the Board. The disclosure should also include a statement of those elements of risk, that the Board feels, may threaten the existence of the Company.

It has therefore become mandatory for the listed companies to prepare a comprehensive framework of risk management for assessment of risks and determine the responses to these risks so as to minimize their adverse impact on the organization.

KECL recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner

The Company believes that the Risk cannot be eliminated. However, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
- Reduced, by having good internal controls;
- Avoided, by not entering into risky businesses;
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
- Shared, by following a middle path between retaining and transferring risk.

The Risk Management policy of the Company shall primarily focus on identifying, assessing and managing risks in the following areas:

1. Company assets and property
2. Employees
3. Foreign Currency Risks
4. Operational Risks
5. Non-compliance of statutory enactments
6. Competition risks
7. Contractual risks

1. Policy for managing risks associated with Company assets and property

The policy deals with nature of risk involved in relation to assets and property, objectives of risk management and measures to manage risk. The risk management policy relating to assets aims at ensuring proper security and maintenance of assets and adequate coverage of insurance to facilitate speedy replacement of assets with minimal disruption to operations. The role and responsibilities of the departments shall be identified to ensure adequate physical security and maintenance of its assets.

2. Policy for managing risk relating to employees

The employees constitute the most important asset of the Company. The risk management policy relating to employees is therefore necessary to cover all risks related to employees and their acts/omissions.

The policy deals with the nature of risk involved in relation to employees, objectives of risk management and measures to manage risk. In particular, the objectives of employee related risk management policy aims at reducing attrition rate, providing adequate security to employees in relation to life, disability, accident and sickness, providing adequate legal safeguards to protect confidential information, and protecting the Company from any contractual liability due to misconduct/errors/omissions of employees.

3. Policy for managing foreign currency risk

The revenues of the Company are from both domestic and international sources. The Company at times may resorts to long-term and

short-term borrowings in foreign currency to finance expansion plans and growth. Any such move would attract the risk associated with frequent changes in valuation of foreign currencies.

The objective of foreign currency risk management is to protect cash flows and profit margins from volatility on account of fluctuations in exchange rates. The Policy for foreign currency risk management ensures that the treasury department continuously tracks movement of foreign currencies, avails services of experts and hedges the risk through appropriate mechanism such as forwarding contracts/options.

4. Operational risks

The Company is constantly working to limit the operational risk that run through all the facets of operations. This requires the combined efforts and support from all units including branches. The startup database of loss events is populated from internal audit reports. Apparent trends are analyzed and various operating groups combine into task forces to address these. The business continuity plan is reviewed quarterly by each unit.

5. Risks associated with non-compliance of statutory enactments

The Company being a legal entity engaged in manufacturing activity and listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). In view of the same, the Company is required to ensure compliance of provisions of various applicable statutory enactments, failure to comply one or more such provisions may render strict penalties as may be prescribed under such statutory enactments.

The Company shall ensure that qualified professionals are employed to comply with various laws. In addition to statutory audits, the Company shall promote undertaking of internal audit/s at different levels periodically to ensure timely check on statutory compliances.

6. Competition risks

Risk of competition is inherent to all business activities. The Company faces competition from the existing players in the domestic and international levels operating in the segment in which the Company operates. There is always an inherent risk that the existing competition may further get acute with the advent of new players and foreign players.

The Company needs to continuously upgrade its technology by conducting in-house research activities and should also have an updated knowledge about the requirement as per the industry standards. The Company is providing tailor made products to its customers so as to be ahead with other competitors. Further, the Company's strategy shall be to leverage its investments in its own high-profile brands, thereby leading to consolidation and value creation.

7. Contractual risks

There may be instances of defaults by customer/s in fulfilling contractual obligations as a result of which the Company may face financial losses. Similarly, defaults by the Company in fulfilling one or more contractual obligations due to reasons such as misrepresentations, breach of warranties etc cannot be ruled out.

The Company shall ensure that proper drafting of the contract and adequate indemnity clauses are incorporated in the contracts entered into with one or more parties, In addition, internal controls from technical team and strict supervisions and checks on execution of contracts and delivery be undertaken.

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure – II

DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. <u>Conservation of Energy:</u>

a) Steps taken for conservation of energy:

The Company is continually exploring new ways to make its operations more efficient by putting technology to use for direct energy savings and increasing renewable energy sources.

The Company conserves energy by:-

1. Improving system power factor.
2. Reduction of maximum demand and restricting the maximum demand to billing demand.
3. Monitoring of energy consumption and further requisite follow-up.
4. Optimum utilization of high energy consuming electrical equipments like winding machines.
5. Air-compressor pressure is maintained at reduced pressure with fixed timing and air leakages arrested.
6. Installation of capacitor panels.

b) Steps taken to utilize alternate source of energy:

1. Implementation of induction brazing processes.
2. Optimization of varnish impregnation process
3. Installation of system to ensure uniform temperature.
4. Energy conservation audit through external audit agency.

c) Capital investment on energy conservation equipment: NIL

B. <u>Technology Absorption:</u>

a) the efforts made towards technology absorption:-

a. Efforts made, in brief, for technology absorption, adaptation and innovation.
   - In-house training of personnel.
   - Indigenization of materials, components and processes.

b. Future plan of action
   - Upgradation of existing technology
   - Development of new processes

c. Research and development is undertaken for the range of all the existing products, lowering costs and process improvements, indigenization or alternate sourcing of materials and development of energy efficient products.

b) Benefits derived from above:-

a. Benefits derived as a result of the above efforts
   - Enhanced product range
   - Quality improvement
   - Development of new products

b. Process improvement resulting in higher production.

c. Development of in-house skills for manufacture of high precision products.

d. Enhanced design and product capability to achieve customer satisfaction.

e. Product range extension to reach newer markets.

f. Special motors for vehicle application developed.

g. To enhance product performance and for better customer satisfaction, your Company will continue in:-
   - Upgrading existing technology.
   - Extending range of its products.
   - Developing new processes.
   - Applying research and value engineering.

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) Detail of Technology Imported – Nil

(b) The year of import – NA

(c) Has the technology been fully absorbed - NA

(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action – NA

d) Expenditure on R & D:

	(₹ in Lakhs)
Capital	Nil
Recurring	13.67
Total	13.67
Total R & D Expenditure	**13.67**
as a % of total turnover	0.02%

C. Foreign Exchange Earnings and Outgo:

1. Activities relating to export:

The Company has continued to maintain focus and avail export opportunities based on economic considerations. During the year, the Company has exports (FOB Value) worth ₹ 1,339.72 /- Lakhs

2. Total foreign exchange used and earned.

a) Foreign Exchange earned:	(₹ in Lakhs)
(i) FOB value of goods exported (net) of sales	1,339.72 /-
(ii) Dividend on shares (net of tax)	0.00
(iii) Repatriation of Profit	0.00
(iv) Others	0.00

b) Foreign Exchange Used

Value of imports calculated on the CIF basis.	(₹ in Lakhs)
(i) Raw materials & Components and spare parts	7.26 /-
(ii) Capital Goods	0.00

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economy Outlook

The global environment around the world continues to go through significant shifts. Post the pandemic, which resulted in supply chain shocks. While initial signs of stability began to emerge, the military conflicts have further intensified this year and continue to impact the global supply chains. Geopolitical tensions due to adverse events such as the Russia-Ukraine war and the Gaza-Israel conflict, alongside volatility in the Middle East, incidents in the Red Sea, and climate change-related occurrences. There was an economic slowdown especially in developed markets.

Industry outlook

The World Bank report stated that “India's economy has been buoyed by strong domestic demand, with a surge in investment, and robust services activity. It is projected to grow an average of 6.7 percent per fiscal year from 2024 through 2026–making South Asia the world's fastest-growing region,”

Despite global uncertainties, India is one of the fastest growing economies in the world. The Country is fast progressing on its 'Viksit Bharat 2047' roadmap, with an aim to become a developed nation by the 100th year of its independence. The plan that was recently unveiled, chalks out actionable and measurable goals in the areas of economic growth, sustainability, ease of living, ease of doing business and social welfare. The Government is taking several steps in this direction including, making significant investment on

infrastructure and providing impetus to manufacturing.

Business Performance

Your Company has taken several bold steps to remain competitive by optimizing the costs, rationalizing manpower and consolidating the manufacturing operations. The Company continues to enjoy strong brand image and acceptance of products and services on account of our constant focus on Product reliability, durability and competitiveness.

The Company manufactures and supplies varieties of Electrical Capital Equipments ranging from AC Motors, DC Motors, EV Motors, Traction, AC Generators, DG Sets, Switchgears and Transformers etc., to the core economic sectors such as:

- Defense
- Metro Rail
- Nuclear Power
- Sugar
- Power Transmission & Distribution
- Data Centers
- Pharmaceutical
- Water & Irrigation
- Electronics
- Fertilizer
- Textile
- Steel and Metals
- Building and Infrastructure
- Oil and Gas Refineries
- Railways
- Thermal
- Mining
- Port & Shipping
- IT & Telecom
- FMCG
- Green Hydrogen
- Renewable (Solar, Floating Solar, Wind, and Hydro)
- Chemical
- Automobile
- Paper
- Cement

The Company adheres to international standards by acquiring and adopting latest technologies along with in-house R&D. The R&D infrastructure, the knowledge, hard work, dedication and skill base of highly qualified & experienced engineers and corporate zest, are the secrets behind the exhaustive list of customization projects in Defense, Railways, Power, and other diverse complex industrial applications.

Opportunities

Our products' reach in the mobility sector is broad and constantly expanding, propelled by advancements in technology, the growing popularity of electric vehicles (or "EVs"), and their incorporation with mobility solutions. India's emphasis on domestic manufacturing and technological innovation offers us chances to expand and support the global mobility revolution. India's EV market has experienced a sharp increase in business this year. As the demand for EVs increases, there is a great opportunity for our business to grow and for us to contribute to the success of the EV ecosystem in India.

Threats

In addition to a high dependence on a small number of suppliers, there is a chance that the costs associated with obtaining materials, products, or services could rise. As a result, the company may have less negotiating leverage and be more susceptible to changes in the price and the disruption of the supply chain.

Your business faces constant challenges also from the unorganized sector and new competitors entering the market. Nonetheless, your business enjoys a solid product base across all industry sectors.

Segment wise or product wise performance

Your Company has identified the reportable segments as rotating machines group, power generation and distribution group and others, taking into account the nature of products and services, the different risks and returns and the internal reporting systems.

The segment wise turnover of your Company is as follows:

(₹ in Lakhs)

Products	**2023-24**	**2022-23**
Rotating Machines Group	28,232	24,232
Power Generation and Distribution Group	24,064	19,730
Others	3,439	3,393
Total	**55,735**	**47,355**

Note: figures has been regrouped as per IND-AS.

Future Outlook

The government has made significant investments in the manufacturing sector, which has improved the overall investment climate. India is now seen as a different manufacturing base that can be used to diversify supply chains. This has been essential in helping to

modernize and grow the manufacturing sector, which has sped up the construction and advancement of manufacturing facilities in a variety of industries.

The company is upbeat about its prospects for future growth, which are supported by its internal strengths, which it is still working to strengthen and enhance, as well as India's growth narrative, which is fueled by a number of important factors like progressive and robust manufacturing, a focus on capital investments, a push for infrastructure expansion, resilient capital market dynamics, etc.

All of this points to a bright future for the company's operations.

Risks mitigation measures

The company has taken the following steps to mitigate the business risks mentioned above, acknowledging that unstable growth in core sectors poses a significant risk.

Company is constantly working to reduce manufacturing costs and increase operating efficiencies so that it can provide competitive prices. Your company has a competitive advantage because of its broad product portfolio, which allows it to serve the main verticals in the capital goods market for electrical engineering.

Your Company understands the value of its supply chain in ensuring timely sourcing of raw materials and excellent dependability in fulfilling delivery schedules.

Internal Control System and their adequacy

Your organization has internal audits and processes in place to ensure that all processes are under control. Consistency in operations and compliance as well as ease of monitoring are guaranteed by system-driven controls. Because SAP-ERP is implemented at your company, reasonable assurance regarding the accounting and financial records and controls is guaranteed. Internal auditors confirm accounting records in order to protect company assets from theft or damage and to ensure that the records are trustworthy when creating financial statements. Management reviews provide support for the internal auditors' evaluation of internal controls. The corresponding functions are in charge of initiating the resolution of all audit observations and related follow-up actions.

Discussion on financial performance with respect to operational performance:-

PARTICULARS	**Standalone**		**Consolidated**	
	2023-24	2022-23	**2023-24**	2022-23
Revenue from operations	**55,735**	47,355	**55,735**	47,355
Other income (Net)	**793**	1,608	**799**	2,225
Total Revenue	**56,528**	48,963	**56,534**	49,580
Total Expense	**55,011**	46,374	**55,126**	46,473
Profit before Exceptional items	**1,517**	2,588	**1,408**	3,108
Exceptional Items	**-**	-	**-**	-
Profit / (Loss) before tax	**1,517**	2,588	**1,408**	3,108
Tax Expense	**-**	0.16	**-**	0.16
Profit / (Loss) after tax	**1,517**	2,588	**1,408**	3,107
Total other comprehensive income	**(2,356)**	(1,522)	**(2,356)**	(1,522)
Total comprehensive income for the period	**(839)**	1,066	**(948)**	1,586

Note: The financial statements of the Company has been prepared in accordance with Ind AS.

Material developments in Human Resources / Industrial Relations front, including number of people employed

During the period under review, your Company concentrated on optimizing cost and rationalizing manpower. It was decided to discontinue the component machining activity at the Unit – 15 with effect from January 22, 2024. However this has no adverse impact on the operations of the Company. The Company has complied with all the necessary compliances from time to time.

The number of permanent employees on the rolls of the Company as on March 31, 2024: 889 employees.

Key financial ratios

Sl. No	**Particulars of financial ratios**	**2023-24**	**2022-23**
i.	Debtors Turnover	33 days	21 days
ii.	Inventory Turnover	33 days	38 days
iii.	Interest Coverage Ratio	0.07	0.10
iv.	Current Ratio	0.41	0.34
v.	Debt Equity Ratio	1.12	1.2910

Sl. No	Particulars of financial ratios	2023-24	2022-23
vi.	Operating Profit Margin (%)	1.30%	2.07%
vii.	Net Profit Margin (%)	2.68%	5.29%
viii.	Sector-specific equivalent ratios, as applicable	Nil	Nil

Detailed explanation of above ratios

a. Debtors Turnover:

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing average debtors by turnover.

b. Inventory Turnover:

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing average inventory by turnover.

c. Interest Coverage Ratio:

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

d. Current Ratio:

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

e. Debt Equity Ratio:

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

f. Operating Profit Margin:

The operating profit margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

g. Net Profit Margin (%):

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

Details of any change in Return on Net worth (excluding revaluation reserves) as compared to the immediately previous financial year along with a detailed explanation thereof.

The net-worth of the Company for the financial year 2023-24 stood at ₹ (22,402.90) Lakhs which has been improved in comparison with net-worth in the previous financial year 2022-23 which stood at ₹(23,920.09)Lakhs. The net-worth of the Company is negative from the preceding financial years.

The company has started making operational profits since the last financial year. The company continues to face challenges for meeting its working capital requirements. With the resources available and as per the projected sales, we expect to reduce the negative net worth substantially by end of financial year 2025-26, without considering the monetization of non-core assets.

Disclosure of Accounting Treatment:

The financial statements of the Company has been prepared in accordance with IND-AS, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The detailed disclosure of accounting treatment is also provided in the notes to financial statements which forms part of this annual report.

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure IV

1. DISCLOSURE IN BOARD'S REPORT AS PER THE PROVISIONS OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED)

a. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the financial year 2023-24, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24;

Name	Designation	% increase in remuneration in the financial year 2023-24	Ratio of remuneration / to median remuneration of employees
Mr. Vijay R Kirloskar	Executive Chairman	-	86:1
Mr. Kamlesh Gandhi	Independent Director	-	-
Mr. S N Agarwal	Independent Director	-	-
Dr. Ashok Misra	Independent Director	-	-
Mr. Anil Kumar Bhandari	Independent Director	-	-
Mr. Mahendra V P	Independent Director	-	-
Mr. Sarosh J Ghandy	Independent Director	-	-
Mr. Ravi Ghai	Independent Director	-	-
Mrs. Meena Kirloskar	Non Executive Director	-	-
Mr. Suresh Kumar	Independent Director	-	-
Mr. Anand B Hunnur	Managing Director	-	32:1
Mr. Sanjeev Kumar S	Director (Finance) & CFO	-	12:1
Mr. Mahabaleshwar Bhat	Company Secretary	14%	7:1

Note: For the FY 2023-24, Non executive directors were paid sitting fee of ₹ 50,000/- per Board meeting and committee meetings.

b. The median remuneration of the employees of the Company in the financial year 2023-24 is **₹ 4.68 Lakhs.**

c. The percentage increase in the median remuneration of employees in the financial year: **15.12%**

d. The number of permanent employees on the rolls of the Company for the financial year 2023-24 is **889 employees**

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the preceding financial year was 3.24%. The average percentage increase in the managerial remuneration was 3.50%.

f. It is hereby affirmed that the remuneration paid during the year ended March 31, 2024 is as per the remuneration policy of the Company.

By the order of the Board of Directors
For **Kirloskar Electric Company Limited**

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31.03.2024

Part A: Subsidiaries

(Amount in ₹)

Sl. No	Name of the Subsidiary	Date of acquisition	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before/ after taxation	Provision for taxation	Proposed dividend	Equity Share capital (%)
1	KELBUZZ Trading Private Limited	16.12.2014	70,200,000	(395,889,842)	226,843,741	552,533,583	NIL	NIL	(4,021,779)	NIL	NIL	100%
2	Luxquisite Parkland Private Limited	16.12.2014	606,500,000	(629,918,146)	216,551	23,634,697	NIL*	NIL	(24,849)	NIL	NIL	100%
3	SKG Terra Promenade Private Limited	16.12.2014	200,000	(163,148,681)	56,606,337	219,555,018	NIL	NIL	(18,624)	NIL	NIL	100%
4	SLPKG Estate Holdings Private Limited	16.12.2014	1,000,000	(397,358,595)	64,153,285	140,788,889	NIL	NIL	(6,835,605)	NIL	NIL	100%

** Provision for impairment in value of Investment of ₹ 62,30,00,688/- is made*

1. Names of subsidiaries which are yet to commence operations : Nil

2. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part B: Associate Companies/ Joint Ventures

Sl. No	Name of the Associate Companies/ Joint Ventures	Date of acquisition/ association	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet#	Profit / Loss for the year#
				No	Amount of Investment	Extent of\ holding				
1.	Kirloskar Malaysia SDN BHD	04.12.1980	31.03.2024	300,000	₹ 529,000	30%	30% shares held by KECL	NA	(refer below note)	(refer below note)
2.	Kirsons Trading PTE LTD	21.04.1992	31.03.2024	56,250	₹ 4,612,000	7.5%	-	NA	(refer below note)	(refer below note)

#since the net worth of the associate is negative; the loss is restricted to the value of the investment

1. Names of associates or joint ventures which are yet to commence operations: Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

For **K N Prabhashankar & Co.**
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No: 222945

Vijay Ravindra Kirloskar
Executive Chairman
DIN: 00031253

Sanjeev Kumar S
Director (Finance) &
Chief Financial Officer
DIN: 08673340

Mahabaleshwar Bhat
General Manager –
Corporate Affairs &
Company Secretary
Membership no. A21919

Place: Bengaluru
Date: May 23, 2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Period 01-04-2023 to 31-03-2024

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

To,

The Members,

Kirloskar Electric Company Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kirloskar Electric Company Limited (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 our opinion thereon. Based on my verification of the Kirloskar Electric Company Limited books, papers, minutes 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 period from 01-04-2023 to 31-03-2024 complied with the statutory provisions listed hereunder and also 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 Kirloskar Electric Company Limited for the period from 01-04-2023 to 31-03-2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed there under

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Director 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'):-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**

iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period);**

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

vi. 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;

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** and

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**

ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws applicable to the Company: As per the representation made by the Company, there are no 'Industry specific' law(s) applicable to the Company. The Company has systems and processes in place to comply with general employee welfare laws applicable to it.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with NSE and BSE Stock Exchanges;

During the period under Review the Company has complied with the Provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except for the following:

Pursuant to the provisions of Regulation 29 of the SEBI LODR, prior intimation of at least five working days in advance (excluding date of intimation and date of Board meeting) to be given by the Company to stock exchange about the meeting of the board of directors in which financial results viz. quarterly, half yearly, or annual, as the case may be is due to be considered. There was a delay of 1(One) day in intimation to stock exchange regarding board meeting held on 14.08.2023 for considering the financial results. However, the Company has made representation to the stock exchanges vide., its letter no. Sect./72/2023-24 dated November 10, 2023 and the Company has promptly paid the fine to both the stock exchanges.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

I further report that during the audit period the Company has not conducted any specific events / actions with regards to a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Signature:
Name: Sudheendra P. Ghali
FCS No: 7037
CP No: 7537
UDIN: F007037F000620331
Peer Review No: S2017KR518300

Place: Belgaum
Date:26/06/2024

This letter which is annexed herewith as Annexure 1 forms an integral part of the Secretarial Audit Report MR-3 and has to be read along with it.

'Annexure -1'

To

The Members,

Kirloskar Electric Company Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our 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 processes and practices, I followed provide a reasonable basis for our 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.

Signature:
Name: Sudheendra P. Ghali
FCS No: 7037
CP No: 7537
UDIN: F007037F000620331
Peer Review No: S2017KR518300

Place: Belgaum
Date:26/06/2024

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on corporate governance:

Your Company continues to be firmly committed to corporate governance and follows a system of good practices of transparency in its reporting. Your Company meets expectations of various stakeholders in matters related to trusteeship, integrity, ethical standards and legal requirements. Your Company continues to comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Your Company's Board of directors ("the Board") fully understands and takes the responsibility for its commitments to various stakeholders. The primary objective of 'Customer Satisfaction' is relentlessly pursued.

2. Board of Directors:

a) Composition as on March 31, 2024 and other matters:

Your Company's Board comprised of eminent persons with optimum balance of executive directors, non executive directors and independent directors having professional and technical expertise from different fields such as technical, business strategy & management, marketing & finance which enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on March 31, 2024, the Board comprised of 10 (ten) Directors wherein Mr. Vijay R Kirloskar (DIN: 00031253) is an Executive Chairman on the Board and other Board members comprised of 06 (six) Non-Executive Independent Directors, 01 (one) Non - Executive Director who is also a Woman Director and 02 (two) other Executive Directors.

All independent directors satisfy the criteria of independence as defined under the Companies Act, 2013, and the SEBI Listing Regulations.

In compliance with the requirement of Regulation 17(1)(b) of the SEBI Listing Regulations, the chairperson of the Board is an Executive director hence, more than half of the Board members are Independent Directors as on March 31, 2024.

As regards to the appointments of new directors, the Board considers the recommendations of the Nomination and Remuneration Committee, which in turn, considers various aspects including the qualifications, professional expertise and exposures, positive attributes and independence, wherever required, as per the laid down criteria.

The Board, inter-alia, provides leadership, strategic guidance and independent advise to the Company's management.

The Board members get updates on the Company's procedures and policies as per the familiarization program.

The Board as part of its corporate governance practice periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

None of the directors on the Board is a member in more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a director as specified under SEBI Listing Regulations. Necessary disclosures regarding committee positions have been received from the directors.

b) Number of Board meetings held and their dates:

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses.

During the financial year 2023-24, Seven (07) meetings of the Board of Directors were held out of which six (06) meetings through Video Conference mode / other audio visual means and One (01) meeting was a physical meeting, the details of which are as given hereunder: -

Sl. No	Date of Board Meeting	No of directors entitled to attend	No of directors attended
1	May 19,2023	12	11
2	May 30, 2023	12	9
3	July 17, 2023	10	10
4	August 14, 2023	10	10
5	November 10, 2023	10	9
6	February 12, 2024	10	10
7	March 28, 2024	10	10

The meetings and agenda items taken up during the meetings are in compliance with the Companies Act, 2013 and SEBI Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India ("SEBI").

The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI.

All material information was circulated to the directors before the meeting or was placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the SEBI Listing Regulations.

The necessary quorum was present for all the meetings.

In certain cases, the Board's approval was taken by passing resolutions through circulation, as permitted by law, which were confirmed in the subsequent meeting of the Board of Directors.

a) Category, attendance, directorships, membership, chairmanship of directors of your Company during the financial year ended March 31, 2024;

Name of the Director	Designation	Attendance		Directorships/Committee Memberships@			Directorship in other listed entity (Category of Directorship)
		Attendance of each director at the meeting of Board of Directors	Attendance at the previous AGM attended (Yes/No)	Directorship (s) in other companies as on March 31, 2024 excluding this Company	Committee Membership**	Committee Chairmanship**	
Mr. Vijay Ravindra Kirloskar*	Executive -Chairman	7	Yes	2	0	0	MRF Limited (Non Executive - Independent Director)
Mr. Satyanarayan Agarwal	Non Executive-Independent Director	6	Yes	11	1	1	Transport Corporation of India Limited (Non Executive Director)
Mr. Anil Kumar Bhandari	Non Executive-Independent Director	7	Yes	7	1	2	1. The Waterbase Limited (Non Executive Independent Director) 2. Bright Brothers Limited (Non-Executive - Independent Director)
Mr. Kamlesh Gandhi	Non Executive-Independent Director	7	Yes	3	0	3	1. Bhagyanagar India Limited (Non Executive - Independent Director) 2. NCL Industries Ltd (Non Executive - Independent Director)
Mr. Ravi Ghai	Non Executive-Independent Director	7	Yes	0	0	0	NIL
Dr. Ashok Misra	Non Executive-Independent Director	6	Yes	3	0	2	Jubilant Pharmova Limited (Non Executive - Independent Director)

Name of the Director	Designation	Attendance		Directorships/Committee Memberships@			Directorship in other listed entity (Category of Directorship)
		Attendance of each director at the meeting of Board of Directors	Attendance at the previous AGM attended (Yes/No)	Directorship (s) in other companies as on March 31, 2024 excluding this Company	Committee Membership**	Committee Chairmanship**	
Mrs. Meena Kirloskar	Non Executive-Non Independent Director	6	Yes	9	0	0	NIL
Mr. Suresh Kumar	Non-executive Independent Director	7	Yes	2	0	0	NIL
Mr. Sanjeev Kumar S	Director (Finance) & CFO	7	Yes	0	0	0	NIL
Mr. Anand B Hunnur	Managing Director	7	Yes	1	0	0	NIL
Mr. Sarosh Ghandy#	Non Executive-Independent Director	1	No	3	0	0	NIL
Mr. Mahendra V P##	Non Executive-Independent Director	1	No	NA	NA	NA	NA

**Mr. Vijay R Kirloskar (DIN: 00031253) is director of Kirloskar Power Build Gears Limited which is under Liquidation.*

 # Resigned w.e.f., June 02, 2023.

Passed away on May 30, 2023;

@ excludes foreign companies and companies covered under section 8 of the Companies Act, 2013.

***Only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies have been considered.*

d) Other Directorships:

Necessary disclosures regarding committee positions have been made by the directors. As per the Companies Act, 2013, none of the directors of the Company hold office as a director, including as an alternate director, in more than twenty companies at the same time and none of them has directorships in more than ten public limited companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and dormant companies are excluded.

As per SEBI Listing Regulations membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee in all Indian Public limited Companies are considered and, accordingly, reported. Further, none of the directors of the Company hold membership in more than 10 committees, nor any director is the Chairman of more than 5 committees across all Public limited companies where he / she holds directorships.

As per the declaration received from the directors, none of the directors of the Company is a Director in seven listed entities or is an independent director in more than seven equity listed companies or in more than three equity listed companies in case he is a whole-time director in any listed company.

e) Disclosure of relationships between directors inter-se:

As per the information available with the Company, none of the directors were related inter se except for Mr. Vijay R Kirloskar (DIN: 00031253), Mrs. Meena Kirloskar (DIN: 00286774) and Ms. Rukmini Kirloskar (DIN: 00309266) [*Ms. Rukmini Kirloskar has been appointed as an additional director w.e.f., May 23, 2024*].

f) None of the non executive independent directors have any pecuniary relationship or transaction with the Company.

g) Necessary information as required under schedule – II of listing regulations, as amended, have been placed before the meetings of the Board including the committees thereof.

h) Shareholding of non-executive directors as at March 31, 2024:

Name of the director	Number of Equity Shares
Mrs. Meena Kirloskar	184,514
Mr. Anil Kumar Bhandari	500
Mr. Kamlesh Gandhi	500
Mr. Satyanarayana Agarwal	500
Dr. Ashok Misra	Nil
Mr. Ravi Ghai	Nil
Mr. Suresh Kumar	Nil

i) Details of Familiarization Programmes to Directors:

During the financial year, senior management team made presentations to the directors giving an overview of the Company's operations, functions, strategies and risk management plans of the Company. The details of the familiarization programs are available on the website of the Company at: https://kirloskarelectric.com/investors/investors-information/policies.html

j) Board Evaluation:

The Company believes that it is the effectiveness of the Board that contributes to the Company's performance and long term growth. The criteria for Board evaluation contemplates evaluation of directors' performances based upon their performances as directors apart from their specific role as independent, non-executive and executive directors.

The criteria also specifies that the Board would evaluate each committee's performance based on the mandate on which the committee has been constituted and the contributions made by each member of the said committee in effective discharge of their responsibilities.

a. The Board of directors evaluated the performance of Independent Directors of the Company. Those directors who were subject to evaluation did not participate at the meeting. For this purpose, a comprehensive questionnaire was provided to each Board member. Each and every member except the director being evaluated, participated, discussed and filled in the questionnaire and provided their feedback. The results were thereafter compiled and noted.

b. Pursuant to applicable SEBI Listing Regulations, the Nomination & Remuneration committee carried out evaluation of every director's performance. A comprehensive questionnaire was provided to each committee member for evaluation of every director's performance. Each member of the committee was requested to fill in the questionnaire and provide their feedback. The committee thereafter discussed and completed the evaluation process.

c. A separate meeting of independent directors was also held on March 15, 2024 to evaluate the performance of the non independent directors, the performance of the Chairman, the Board of director and its committees. A comprehensive questionnaire was shared with each member to carry out the evaluation process. The directors filled the questionnaire and provided their feedback.

The evaluation process contained the following;

1. Performance of the Board as a whole & its committees;
2. Performance of the Executive Chairman Mr. Vijay R Kirloskar (DIN: 00031253);
3. Performance of non-executive non independent director Mrs. Meena Kirloskar (DIN: 00286774)

Based on the review and consideration of the Company's progress and performance during the year, the independent directors recorded the contributions made by the non independent directors.

The directors also reviewed the performance of the chairman after taking into account the views of executive and non-executive directors. The independent directors placed on record their appreciation of the leadership of the Chairman.

The independent directors further assessed the quality, quantity and timeliness of flow of information between the Company and the management and the Board to effectively discharge their responsibilities and to perform their duties. They expressed their satisfaction on flow of information.

The independent directors acknowledged the fact that the Board was well informed of the Company's activities. That had enabled the board to understand all the aspects of the Company and had helped them to take decisions effectively.

k) Core skills / expertise / competencies available with the Board:

The Board comprises of qualified directors who possess required skills, expertise and competencies that allows them to make an effective contributions to the Board and to its Committees. They are nominated based on well-defined selection criteria set out by the Nomination and Remuneration Committee.

The following are the skills, expertise & competencies which are currently available with the Board:-

Sl. No	Name of the Director	Area of Expertise
1	Mr. Vijay R Kirloskar	Management & Strategy, Global Business Leadership, Finance, Investment & Treasury, Research & Training, Scientific development & Innovations, Product Development, Manufacturing & Sales Operation
2	Mrs. Meena Kirloskar	Management & Strategy, Finance, Corporate Governance & Ethics and such other areas
3	Mr. Anil Kumar Bhandari	Business Strategy and such other areas
4	Mr. Satyanarayan Agarwal	Business Strategy , Project Management and such other areas
5	Mr. Kamlesh Suresh Gandhi	Compliance, Risk Management and Business Strategy, Corporate Governance, Ethics, Regulatory Banking, Investment and such other areas
6	Dr. Ashok Misra	Academics, Engineering, General Management, Research & Training, Technology and such other areas
7	Mr. Anand B Hunnur	Sales, Marketing, Electrical Engineering and such other areas
8	Mr. Sanjeev Kumar S	Banking, Investment & Treasury Management and such other areas
9	Mr. Ravi Ghai	Banking, Investment, Finance, risk compliance, finance training and credit appraisal.
10	Mr. Suresh Kumar	Business Strategy and such other areas
11	Mr. K N Shanth Kumar*	Public relation, Media Tycoon and such other areas
12	Ms. Rukmini Kirloskar*	Finance, Sales and Marketing and such other areas
13	Mr. Mohammed Saad Bin Jung**	Public Relation, Environment & Social Governance (ESG) and such other areas
14	Dr. Pangal Ranganath Nayak**	Leadership / operational experience, Business Strategy, Industry experience, R&D and innovation, financial analysis, Risk management & corporate Governance

* *Appointed as an additional, Non-Executive Independent Director and Non Executive Non-Independent Director respectively w.e.f.,May 23,2024 and approval of the members has been sought through postal ballot for regularization.*

** *Appointed as additional, Non-Executive Independent Director w.e.f., August 6, 2024 and approval of members has been sought at the ensuing 77th AGM for regularizations.*

l) Information flow to the members of the Board of directors:

The Board is provided with all information concerning the agenda items for the meetings. Company's annual strategic plans and annual operating plans are also presented before the meetings seeking their inputs. Company's quarterly financial results and annual financial results are first presented to the Audit Committee and, subsequently, to the Board of directors for their approval. Agenda and notes on agenda are circulated among the members of the Board in advance of the meetings in accordance with the secretarial standards. The meetings facilitate directors to get insights on the affairs of the Company and get their inputs and suggestions on strategic and operational matters of the Company.

m) Opinion of the Board:

Pursuant to section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, the Independent Directors have provided an annual confirmation that they meet the criteria of independence, and in terms of Regulation 25(8) of the SEBI Listing Regulations, they also have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that the Independent Directors of the Company meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

n) Detailed reasons for resignation of an independent director:

Mr. Sarosh J Ghandy (DIN: 00031237), Independent Director of the Company has resigned from the position of Director with effect from June 02, 2023 before the expiry of his term due to health reasons. Mr. Sarosh J Ghandy has confirmed that there are no other material reasons for his resignation other than that mentioned above.

o) Ms. Rukmini Kirloskar (DIN: 00309266) and Mr. K N Shanth Kumar (DIN: 00487956) were appointed as additional Non-

Executive non Independent Director and Additional Non-Executive Independent Director respectively w.e.f May 23, 2024. Approval of members of the Company has been sought through postal ballot. Further, Mr. Mohammed Saad Bin Jung (DIN: 00264525) and Dr. Pangal Ranganath Nayak (DIN: 01507096) were appointed as additional non-executive Independent Director w.e.f., August 6, 2024. Approval of members has been sought at the ensuing 77th AGM for regularization.

2. Committees of Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation that needs a closer review and to take informed decisions in the best interest of the Company.

The Board has constituted sub-committees to focus on specific areas and take informed decisions within the limits of authority delegated to each of the committees. Each committee of the Board is guided by its Charter, which defines the scope, powers and composition of the committee. All the decisions and recommendations of the committees are placed before the Board for information or approval.

As on March 31, 2024, your Company has the following committees of the Board;

A. Audit Committee:

The Company has constituted a qualified Independent Audit Committee ("AC") which acts as a link between the management external and internal auditors and the Board. The Audit Committee is responsible for effective supervision of the Company's financial reporting process by providing direction to the audit function, monitoring the scope and quality of internal and statutory audits and ensuring accurate and timely disclosures. The Audit Committee considers the matters which are specifically referred to it by the Board besides considering mandatory requirements of the regulation 18 read with Part C of Schedule II of SEBI Listing regulations and section 177 of the Companies Act, 2013.

The responsibilities of the Audit Committee includes review of quarterly, half yearly and annual financial statements before submission to the Board, approval or any subsequent modification of transactions of the Company with related parties amongst others.

I. Terms of reference:

The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and as per applicable of SEBI Listing Regulations.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

II. Composition and attendance:

Audit Committee as on March 31, 2024 comprised of five independent directors.

During the financial year 2023-24, the committee met six (06) times i.e.,on May 19, 2023, May 30, 2023, July 17, 2023, August 14, 2023, November 10, 2023 and February 12, 2024.

Composition and attendance of each member were as follows:

Name	Category	Meetings	
		Held during the tenure	Attended
Mr. Kamlesh Gandhi	Chairman	06	06
Mr. Satyanarayan Agarwal	Member	06	05
Mr. Anil Kumar Bhandari	Member	06	05
Mr. Sarosh Ghandy#	Member	02	02
Mr. Mahendra VP##	Member	02	02
Mrs. Meena Kirloskar	Member	03	03
Mr. Suresh Kumar*	Member	03	03

 # Resigned w.e.f., June 02, 2023.

Passed away on May 30, 2023;

** The committee was reconstituted at the Board meeting held on July 17, 2023 and Mrs. Meena Kirloskar and Mr. Suresh Kumar were appointed as members of the committee.*

The Committee invites the Executive Chairman, Managing Director, the Chief Financial Officer of the Company and such other executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

The Company Secretary acts as the secretary to the audit committee.

B. Nomination and Remuneration Committee:

I. Terms of reference

The Company has a Nomination and Remuneration Committee ("NRC") constituted pursuant to the Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and section 178 of the Companies Act, 2013. The NRC is vested with the authority to recommend nomination for Board membership, remuneration of Directors, Key Managerial Personals and senior employee's, formulation of criteria for evaluation of Independent Directors and Board of Directors, remuneration to board and other senior management.

The NRC also carries out a separate exercise to evaluate the performance of individual Directors; Feedback is sought by way of structured questionnaires covering various aspects of Boards functioning such as adequacy of composition of the Board and its Committee, Board culture, execution & performance of specific duties, obligations and governances. Performance evaluation is carried out based on the responses received from all Directors.

Performance evaluation criteria for independent directors:

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The performance evaluation of Independent Directors is based on various criteria including experience, expertise, independent judgment, ethics, Values and adherence to the corporate governance norms amongst others.

The committee comprised of four members as on March 31, 2024 all of whom are non executive directors.

During the financial year 2023-24, the committee met one (01) time on July 17, 2023.

II. Composition and attendance of each member were as follows:

Name	Category	Meetings	
		Held during the tenure	Attended
Mr. Satyanarayan Agarwal	Chairman	01	01
Mr. Anil Kumar Bhandari	Member	01	01
Mr. Sarosh Ghandy#	Member	00	00
Mrs. Meena Kirloskar	Member	01	01
Mr. Suresh Kumar*	Member	00	00

 # Resigned w.e.f., June 02, 2023.

** The committee was reconstituted at the Board meeting held on July 17, 2023 and Mr. Suresh Kumar was appointed as member of the committee.*

Remuneration of directors:

In line with the Company's philosophy to ensure equitable remuneration to all the Directors, Key Managerial Personnel (KMP) and employees of the Company, the Nomination and Remuneration policy of the Company has been framed. The Nomination and Remuneration policy of the Company is designed to create a high-performance culture among KMP, Managerial Personnel's and employees and enable the Company to attract, retain and motivate them to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Nomination and Remuneration policy is available on the website of the Company at https://kirloskarelectric.com/investors/investors-information/policies.html.

(a) Non-Executive Directors:

(Amount in ₹)

Sl. No	Name	Sitting fees paid
1.	Mr. Sarosh J Ghandy	1,00,000
2.	Mr. Anil Kumar Bhandari	7,00,000
3.	Mr. Mahendra V. P	1,00,000
4.	Mr. Kamlesh Gandhi	6,50,000
5.	Mr. Satyanarayan Agarwal	6,00,000
6.	Dr. Ashok Misra	3,00,000
7.	Mrs. Meena Kirloskar	5,00,000
8.	Mr. Ravi Ghai	3,50,000
9.	Mr. Suresh Kumar	5,00,000

The Company pays sitting fees of ₹50,000/- per meeting to its Non-Executive Directors for attending the meetings of the Board and meetings of the committees of the Board.

There are no pecuniary relationships or transactions of the non-executive directors' vis-à-vis with the Company;

(b) Executive Directors:

(Amount in ₹)

Sl. No.	Name of the MD/WTD	Salary	Perquisites	Others	Total
1	Mr. Vijay R Kirloskar	1,20,00,000/-	2,79,99,996/-	-	3,99,99,996/-
2	Mr. Anand B Hunnur	36,00,000/-	1,02,54,836/-	12,37,160/-	1,49,99,996/-
3	Mr. Sanjeev Kumar S	9,00,000/-	43,13,710/-	2,86,290/-	55,00,000/-

The Company has not given any performance linked incentives, stock options etc., to the directors of the Company.

Employment agreements with executive directors: -

Name of the director	Effective date of executive employment agreement	Details of shareholders' approval on the agreements	Provision for Notice period and Severance pay
Mr. Vijay R Kirloskar	August 14, 2023	The shareholders approved the appointment and key terms of the agreement by passing a resolution at the AGM dated August 14, 2023.	According to the agreement if before the expiration of this agreement the tenure of office of the Executive Chairman is determined, by any reason whatsoever, the Executive Chairman shall subject to the provisions of Section 202 of the Companies Act, 2013, be entitled to receive as compensation for loss of office an amount equivalent to the remuneration which he would have earned if he had been in office for the unexpired residue of his term or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which he ceased to hold office or where held the office for a lesser period than three years, during such period.
Mr. Anand B Hunnur	July 12, 2022	The shareholders approved the appointment and key terms of the agreement by passing a resolution at the AGM dated August 12, 2022.	Subject to Section 202 of the Companies Act, 2013, in the event of the Company determining the contract after completion of 18 months of service, the Managing Director shall be paid a compensation equivalent of three months' salary and if such determination of the contract is made by the Company after completion of 24 months of service, he shall be paid a compensation equivalent of salary for the balance period of service instead of three months' notice or salary in lieu thereof irrespective of the period of service rendered by him.
Mr. Sanjeev Kumar S.	February 14, 2023	The shareholders approved the re-appointment and key terms of the agreement by passing a resolution through Postal Ballot dated March 16, 2023.	Subject to the provisions of Section 202 of the Companies Act, 2013, Mr. Sanjeev Kumar S be entitled to receive compensation for loss of office an amount equivalent to the remuneration which he would have earned if he had been in office for the unexpired residue of his term or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which he ceased to hold office or where held the office for a lesser period than three years, during such period.

C. Stakeholder Relationship Committee:

I. Terms of reference

The Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act. The SRC is primarily responsible for redressal of the grievances of shareholders/investors including complaints related to transfer or transmission of shares, issuance of duplicate share certificates and other such grievances as may be raised by the shareholders from time to time.Mr. Mahabaleshwar Bhat, General Manager- Corporate Affairs & Company Secretary is the Compliance officer of the Company.

During the financial year 2023-24, the committee met one (01) time on March 28, 2024.

II. Composition and attendance of each member were as follows:

Name	Category	Meetings	
		Held during the tenure	Attended
Mr. Anil Kumar Bhandari	Chairman	01	01
Mr. Vijay R Kirloskar	Member	01	01
Mr. Mahendra V P#	Member	00	00
Mr. Anand B Hunnur*	Member	01	01

 # Passed away on May 30, 2023;

**The committee was reconstituted at the Board meeting held on August 14, 2023 and Mr. Anand B Hunnur was appointed as member of the committee.*

Shareholders' complaints are taken up with high priority and it is the Company's policy that investors' complaints are attended with utmost priority and resolved expeditiously.

A statement of the investor complaints for the financial year 2023-24 is given below:

Sl. No.	Particulars	No. of Complaints
1	Investor complaints pending at the beginning of the year	0
2	Investor complaints received during the year	1
3	Investor complaints disposed off / resolved during the year	1
4	Investor complaints remaining unresolved at the end of the year	0

The quarterly statements on investor complaints received and disposed off are filed with Stock Exchanges within 21 days from the end of each quarter and such statements is also placed before the subsequent meeting of Board of Directors every quarter.

D. Corporate Social Responsibility Committee

I. Terms of reference

The Company's contribution and initiatives towards social welfare and environment sustainability have been integral to its business. The terms of reference of the CSR Committee are in line with the provisions of Section 135 of the Companies Act, 2013.

II. The Composition of the Committee and attendance details:

Your Company has a competent Corporate Social Responsibility Committee as per the Corporate Social Responsibility Policy as required under Section 135 of the Companies Act, 2013, which shall indicate the activities to be undertaken by the Company on Corporate Social Responsibility and Recommend the amount of expenditure to be incurred.

Mr. Sarosh J Ghandy (DIN: 00031237) has resigned with effect from June 02, 2023; and Mr. Mahendra V P (DIN: 00033270), Non-Executive Independent Director of the Company passed away on May 30, 2023. The committee was reconstituted at the Board meeting held on August 14, 2023 and Mrs. Meena Kirloskar was appointed as member of the committee.

As on March 31, 2024, the members of the CSR Committee were:

Name	Category
Mr. Anil Kumar Bhandari	Chairman
Mr. Vijay R Kirloskar	Member
Mrs. Meena Kirloskar	Member

Considering the Company's financial performance during the preceding three financial years, provisions of Section 135 (3) of the Companies Act, 2013 relating to spending on CSR activities are not applicable and hence the Committee did not meet during the year 2023-24.

E. Risk Management Committee:

The Company does not falls under top 1,000 category based on Market Cap, therefore it is not required to constitute the Risk Management Committee.

F. Senior Management

Particulars of senior management:

Sl. No	Name	Designation
1.	Mr. Kaushik Goswamy	Vice President
2.	Mr. Arunesh M	Vice President
3.	Mr. Nitin Jain	Vice President
4.	Mr. Lokesha	Associate Vice President
5.	Mr. Mahabaleshwar Bhat	General Manager
6.	Mr. Basavaraj Baragudi	General Manager

General Meetings:

a) Annual General Meeting:

Location, time and special resolution for the last three AGMs:

	2020-21	2021-22	2022-23
Date, Venue and Time	21st September, 2021 Held through Video Conferencing / Other Audio Visual Means (Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by MCA & Circular no. SEBI/HO/CFD/PoD-2/P/CIR / 2023/4 dated January 5, 2023 issued by SEBI) 11.00 A.M	12th August, 2022 Held through Video Conferencing / Other Audio Visual Means (Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by MCA & Circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/4 dated January 5, 2023 issued by SEBI) 11.00 A.M	14th August, 2023 Held through Video Conferencing / Other Audio Visual Means (Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by MCA & Circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/4 dated January 5, 2023 issued by SEBI) 11.00 A.M
Special Resolution Passed	No Special Resolution was passed at this annual General Meeting	1. Appointment of Mr. Ravi Ghai (DIN: 08715119), as Director of the Company and as an Independent Director of the Company. 2. Appointment of Mr. Anand B Hunnur (DIN: 06650798) as Managing Director of the Company.	1. Reappointment of Mr. Vijay R Kirloskar (DIN: 00031253) as Wholetime Director in the capacity of 'Executive Chairman' of the Company for a term of three years. 2. Appointment of Mr. Suresh Kumar (DIN: 02741371), as an Independent Director of the Company

b) Extraordinary General Meeting('EGM'):

No EGM was held during the financial year 2023-24.

c) Postal Ballot:

No special resolution was passed through postal ballot during the preceding financial year 2023-24. However during current financial year, the Company has sought the approval of members of the Company by way of postal ballot for regularization of Mr. K N Shanth Kumar & Ms. Rukmini Kirloskar as non-Executive Independent Director and Non-Executive Non-Independent Director respectively. The results of the postal ballot will be announced by the Company tentatively on August 22, 2024.

4. Means of communication:

The Company has established procedures to disseminate, in a planned manner, relevant information at large.

a) The Company has been regularly publishing audited / un-audited financial results in leading newspapers, immediately after the same is approved by the Board. The results are also posted on the Company's website.

b) Newspaper wherein results normally published: The quarterly results are normally published in the all India edition of Economic times, Business Standard and Bangalore edition of Prajavani.

c) The quarterly results and other information relating to the Company are posted on the Company's website www.kirloskarelectric.com significant events, if any, during the financial year, are filed with the stock exchange and also posted on the Company's website www.kirloskarelectric.com from time-to-time.

d) Annual Report: Annual Report containing audited standalone financial statements, consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to members entitled thereto and is also available on the Company's website www.kirloskarelectric.com.

e) There were no official news releases during the year 2023-24.

f) No presentation was made to institutional investors or to the analysts during the year 2023-24.

g) Email ID for registering complaints by investors: investors@kirloskarelectric.com.

5. **General shareholder information:**

(a) *Date, Time and Venue of Annual General Meeting:*

The 77th Annual General Meeting of the Company will be held on Monday, 16th day of September 2024 at 11.00 A.M through video Conference mode.

(b) *Financial Year:*

The Company's financial year starts on 1st April and ends on 31st March.

(c) *Dividend payment date:*

The Board of Directors has not recommended any dividend for the financial year ended March 31, 2024.

(d) *Stock Exchanges:*

The Company's Equity Shares are listed on the following stock exchanges and the Company has paid the appropriate listing fees for the financial year 2023-24;

1. **National Stock Exchange of India Limited**

   Exchange Plaza, C-1, Block G,
   Bandra Kurla Complex,
   Bandra (E),
   Mumbai – 400 051

2. **The BSE Limited**

   Phiroze Jeejeebhoy Towers,
   Dalal Street,
   Mumbai- 400001

(e) *Stock Code:*

The Stock/Scrip code of the above mentioned stock exchange(s) are as mentioned below;

1. The BSE Ltd – 533193
2. National Stock Exchange of India Ltd – KECL

   The ISIN of the Company is INE134B01017

(f) *Market Price Data:*

During the year under review, the shares of the Company were traded at the BSE Ltd and National Stock Exchange of India Ltd. The prices at the BSE Ltd and at National Stock Exchange were as follows:

Month	KEC on BSE			KEC on NSE		
	High(₹)	Low(₹)	Volume (No's)	High(₹)	Low(₹)	Volume (No's)
April 2023	103.21	67.82	3,021,408	103.40	68.30	27,864,248
May 2023	125.60	94.46	2,487,385	125.50	94.85	21,862,412
June 2023	127.25	103.50	960,928	128.75	103.35	4,989,840
July 2023	140.25	113.00	681,593	141.00	112.50	4,024,685
August 2023	122.70	105.05	1,140,855	123.00	105.65	5,129,564
September 2023	119.20	103.95	469,566	119.00	103.35	3,403,125
October 2023	137.50	105.00	1,782,889	137.70	104.50	19,198,814
November 2023	135.20	109.75	1,343,514	136.00	110.00	10,112,559
December 2023	121.60	107.20	532,612	121.40	107.50	5,095,877
January 2024	157.65	109.00	2,695,433	158.00	108.95	28,925,538
February 2024	163.30	112.00	2,359,477	163.95	110.70	17,283,357
March 2024	126.45	96.85	1,331,050	126.40	96.35	6,319,067

Source: The foregoing information is compiled from the data available from the BSE Ltd and National Stock Exchange of India Ltd.

(g) *Performance in comparison to broad-based indices such as BSE Sensex, Nifty Index etc:*

(Amount in ₹)

Month	BSE		NSE	
	KEC's Closing Price	Sensex Closing	KEC's Closing Price	Nifty Closing
April 2023	99.47	61112.44	99.65	18065.00
May 2023	106.80	62622.24	107.35	18534.40
June 2023	127.25	64718.56	128.75	19189.05
July 2023	118.10	66527.67	117.25	19753.80
August 2023	111.10	64831.41	111.20	19253.80
September 2023	105.55	65828.41	105.65	19638.30
October 2023	113.20	63874.93	113.15	19079.60
November 2023	118.15	66988.44	118.00	20133.15
December 2023	110.55	72240.26	110.70	21731.40
January 2024	150.95	71752.11	150.90	21725.70
February 2024	124.00	72500.30	123.90	21928.80
March 2024	104.35	73651.35	104.40	22326.90

(h) *The securities of the Company were traded throughout the year and there was no notice of suspension from trading from any exchange.*

(i) *Registrar and Share Transfer Agents:*

Integrated Registry Management Services Private Limited, #30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 560 003. Telephone No's: 23460815, 23460816, 23460817 and 2346081 Fax No. 23460819, Website: www.integratedindia.in Contact Person: Mr. Vijayagopal S, Vice President.

(j) *Share Transfer System:*

The Company has Stakeholders Relationship Committee to review and resolve the Complaints by the Shareholders and investors which may arise from time to time. The Company has complied with requirements as specified in regulations 40 of SEBI Listing Regulations for effecting transmissions of securities of the Company. In terms of Regulations 40(9) of the SEBI Listing Regulations, the Company obtains a half-yearly compliance certificate, from a Company Secretary in Practice with respect to due compliance of shares and security transfer and transmission formalities by the Company and the copy of the compliance certificate is submitted to the Stock Exchange.

SEBI with effect from April 01, 2019 barred physical transfer of shares of the listed companies and mandated transfers only in a dematerialized form. However shareholders are not barred from holding shares in physical form.

(k) *The distribution of shareholding as on March 31, 2024:*

Shareholding Range	No. of share holders in DEMAT Form	No. of Shares	No. of share holders in Physical Form	No. of Shares	Total No. of share holders	%	No. of shares	% of share holdings
1 – 500	52,155	55,68,437	19,840	8,12,564	71,995	89.71	63,81,001	9.61
501 – 1000	3,885	31,76,533	202	1,47,545	4,087	5.09	33,24,078	5.01
1,001 – 2000	1,948	29,83,160	104	1,42,367	2,052	2.56	31,25,527	4.71
2,001 – 3000	731	18,97,743	28	69,447	759	0.95	19,67,190	2.96
3,001 – 4000	320	11,56,888	12	42,365	332	0.41	11,99,253	1.81
4,001 – 5000	300	14,30,000	9	39,455	309	0.39	14,69,455	2.21
5,001 – 10,000	399	29,76,441	7	46,559	406	0.51	30,23,000	4.55
10,001 & above	306	4,39,17,151	3	20,07,416	309	0.39	4,59,24,567	69.15
Total	**60,044**	**6,31,06,353**	**20,205**	**33,07,718**	**80,249**	**100.00**	**6,64,14,071**	**100.00**

(l) *Shareholding pattern as on March 31, 2024:*

Category	No. of Shareholders	No of shares held	% of Shareholding
Promoters	10	3,28,82,967	49.51
Banks, financial institutions	15	31,969	0.05
Insurance Companies	1	8,34,457	1.26
Alternate Investment Funds	1	2,80,000	0.42
Foreign Portfolio Investors	4	6,63,164	1.00
Indian Public	79,100	2,77,31,544	42.06
Bodies Corporate	305	13,13,253	1.98
NRIs / OCBs	805	7,78,775	1.17
Clearing Members	3	1,225	0.00
Trusts	1	58	0.00
Foreign Overseas corporate bodies	1	18,96,044	2.85
Foreign National	2	618	0.00
Total	**80,248**	**6,64,14,071**	**100.00**

(m) *Dematerialization of shares and liquidity:*

The paid up equity capital of the Company as on March 31, 2024 was ₹ 664,140,710/- (66,414,071 Shares of ₹10/- each). 63,027,375 equity shares representing 95.02% of the Equity Capital were held in dematerialized form as on March 31, 2024. There were 33,07,718 equity shares representing 4.98 % in physical mode. The Company has sent reminders to the shareholders to update KYC pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated May 30, 2024.

The Company has arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate holding of the Shares in electronic form. The Company's Equity Shares are traded on The BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

(n) *There were no outstanding GDRs/ADRs/Warrants or any other convertible instruments.*

(o) *There is no commodity price risk or foreign exchange risk and no hedging activities during the year 2023-24.*

(p) *Plant locations*

Details of addresses of plant locations are mentioned on page no. 3 of the Annual Report.

(q) *Address for correspondence:*

The Compliance Officer
Kirloskar Electric Company Ltd.
No. 19, 2nd Main Road, Peenya 1st Stage, Phase – 1,
Peenya, Bangalore – 560 058
Telephone: 080 – 28397256; Fax: 080 – 28396727
Email: investors@kirloskarelectric.com
Website Address – www.kirloskarelectric.com

(r) *Credit ratings obtained by the Company:*

Credit ratings obtained for the financial year 2023-24 for all debt instruments:

Rating Agency	Credit Rating	
CARE Ratings Limited	Fund-based	CARE B+
	Non-fund-based	CARE A4

Other disclosures:

(a) Related party transactions policy:

The Policy on the related party transaction is available on the Company's website and the link is provided hereunder; https://www.kirloskarelectric.com/investors/investors-information/policies.html

(b) Disclosures on materially significant related party transactions:

No materially significant related party transactions took place in the financial year 2023-24.

(c) Details of non-compliance:

During the financial year under review, due to technical glitch, there was an one day delay in giving prior intimation to stock exchange about the Board Meeting which was held on 14.08.2023 for considering the financial results. Both the Stock Exchanges have levied penalty of ₹ 11,800/- each (including GST). The Company has made its representation to the stock exchanges vide its letter no., Sect/72/2023-24 dated November 10, 2023 that it was delay of one day which was unintentional and due to technical issues beyond the control of the Company. Further the Company has paid the levied fine to both the stock exchanges.

(d) Whistle Blower Policy/Vigil Mechanism:

The Company has established a mechanism for the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. This mechanism will also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases.

The whistle blower policy is available on the Company's website and the link is provided here under https://www.kirloskarelectric.com/investors/investors-information/policies.html

(e) Details of compliance with mandatory requirements and adoption of the non mandatory requirements:

The Company has complied with the all the mandatory requirements of SEBI Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 read with Schedule V of the Listing Regulations.

The Board periodically reviews compliance reports pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by it to rectify instances of non-compliances, if any.

The extent of adoption of non-mandatory requirements is as follows:

Discretionary requirements under part E of Schedule II of SEBI Listing Regulations

- The Board:

  The Chairman of the Company is an Executive Director. He maintains his office at the Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties. As on date, the positions of the Chairman and the CEO/MD are separate.

- Modified opinion(s) in the audit report:

  The details of audit qualifications are mentioned elsewhere in this annual report.

- Shareholder Rights:

  Since the Company publishes its half yearly results in newspapers (Business Standard, Economic Times & Prajavani) having wide circulation, and the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any declaration of half yearly performance to the shareholders.

- Reporting of internal auditor :

  The internal auditors report directly to the Audit Committee and make presentations to the Audit Committee on their reports.

(f) Policy on Material Subsidiary:

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the SEBI Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy for determining material subsidiaries has been disclosed on the website and the link is provided here under https://www.kirloskarelectric.com/investors/investors information/policies.html.

(g) There are no commodity price risks and commodity hedging activities.

(h) No funds were raised through preferential allotment or qualified institutions placement during the year 2023-24.

(i) Disclosure in relation to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sl. No	Particulars	Status
1	No of complaints filed during the financial year	Nil
2	No of complaints disposed off during the financial year	Nil
3	No. of complaints as at the end of the financial year	Nil

(k) The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to its respective statutory auditor are available in the Note no. 33 (ix) of Notes to accounts.

(l) The certificate regarding the compliance of conditions of Corporate Governance from the Statutory Auditors of the Company is attached as **Annexure 1** in this Report.

(m) The Certificate from M/s. SP Ghali & Co., Company Secretaries, Belgaum stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority has been obtained. The Certificate is enclosed with this section as **Annexure - 2.**

(n) There were no shares lying in the suspense account as on March 31, 2024 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI ListingRegulations.

(o) Disclosure of certain types of agreements binding listed entities: There are no agreements entered between the company and shareholders / promoters / promoter group / related parties / directors / KMP / employees of Company or of its holding, Subsidiary or Associate Company either directly or indirectly, whose purpose is to impact the management or control of the Company or impose any restriction or create any liability upon the Company.

For and on behalf of the Board of Directors,
Kirloskar Electric Company Limited

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Declaration signed by the Chief Executive Officer stating that the members of Board of directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of directors and senior management.

The Listing Regulations require listed companies to lay down a code of conduct for directors and senior management, incorporating duties of directors as laid down in the Act. Accordingly, the Company has a Board approved code of conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company.

It is confirmed that all the Board members and senior managers have affirmed compliance with the Code of Conduct of the Company, for the year 2023-24.

For and on behalf of the Board of Directors,
Kirloskar Electric Company Limited

Sd/-
Vijay R Kirloskar
Executive Chairman
DIN: 00031253

Place: Bengaluru
Date: 06.08.2024

Annexure - 1

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
Members of Kirloskar Electric Company Limited,
No.19, 2nd Main Road,
Peenya 1st Stage, Phase – I,
Peenya, Bangalore - 560058

1. We, K.N Prabhashankar & Co. (Formerly Ashok Kumar, Prabhashankar & Co.), Chartered Accountants, Bangalore (Firm Registration no. 004982S) Statutory Auditors of Kirloskar Electric Company Limited ("the Company") CIN:L31100KA1946PLC000415, have examined the compliance of the conditions of Corporate Governance by the Company, for the year ended on 31 March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for **K.N Prabhashankar & Co.,**
Chartered Accountants
Firm Regn. No. 004982S

Sd/-
A. Umesh Patwardhan
Partner
M. No. 222945
UDIN:24222945BKFAMP3809

Place: Bengaluru
Date: 26.07.2024

Annexure - 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Kirloskar Electric Company Limited,
No.19, 2nd Main Road, Peenya 1st Stage Phase-1,
Peenya, Bengaluru 560058 Karnataka, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kirloskar Electric Company Limited having CIN: L31100KA1946PLC000415 and having registered office at No.19, 2nd Main Road, Peenya 1st Stage Phase-1, Peenya, Bengaluru 560058 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India and/ or Ministry of Corporate Affairs.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SP Ghali & Co.,
Company Secretaries

Sd/-
Sudheendra P Ghali
Proprietor
Membership No. F7037
COP no.: 7537
UDIN: F007037F000642177
Peer Review C no. S2017KR518300

Place: Belgaum
Date: 02/07/2024

INDEPENDENT AUDITORS' REPORT

To the Members of

KIRLOSKAR ELECTRIC COMPANY LIMITED, BENGALURU

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Ind AS financial statements of **KIRLOSKAR ELECTRIC COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention of the Members is invited to note 35(16) to the Standalone Ind AS financial statements regarding the amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. The amounts due from the said subsidiaries aggregates to ₹11,153.84 lakhs (₹11,384.28 lakhs as at March 31, 2023). Pending disposals/realization of assets by the subsidiaries, relying on the Management Representation, provision of ₹ 8,400.77 lakhs as at March 31, 2024 is recognized. Any shortfall in the realization of the amount outstanding (net of provision), if any, could not be ascertained.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

a. Going Concern Assessment – Effect of erosion in net worth of the company

Note 35(17) of the Standalone Ind AS financial statements – The directors have detailed the reasons for preparing these Standalone Ind AS financial statements on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. The Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

We have relied on the representations made by the Company and the appraisal of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. The appropriateness of the said basis of Going Concern is subject to the Company adhering to the restructuring plan and infusion of requisite funds. Hence, we are of the opinion that there is no existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Attention of the members is invited to note 35(18) of the Standalone Ind AS financial statements which sets out that the Company has filed Special Leave Petition in respect of demand of resale tax penalty of ₹ 527 lakhs before the Honourable Supreme Court of India. Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Standalone Ind AS financial statements and our auditor's report thereon. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence regarding the quantification of shortfall in realization of consideration receivable from certain subsidiaries pending disposals/realization of assets by the subsidiaries. Accordingly, we are unable to conclude whether or not the other information in relation to this is materially misstated with respect to this matter.

Responsibility of Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also 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 Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

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

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

standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements/information of Kuala Lumpur Branch office of the Company, included in the financial statements of the Company for the quarter ended and year ended March 31, 2024 whose financial statements/information reflect total assets of ₹ 53.86 lakhs as at March 31, 2024 and total revenues of ₹ 0.10 lakhs for the year ended on that date. We did not audit the financial statement/information of Ajman Branch office of the Company, included in the financial statements of the Company for the quarter ended and year ended March 31, 2024 whose financial statements/information reflect total assets of ₹403.41 lakhs as at March 31, 2024 and total revenues of ₹1286.65 lakhs for the year ended on that date. The financial statements/information of the said branches have been audited by the Branch Auditors whose reports has been furnished to us. So, to the extent the amounts have been derived from such financial statements is based solely on the report of the Branch auditors. Our report is not modified in respect of this 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 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, 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 purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   c. The report on the accounts of the Kuala Lumpur office in Malaysia and Ajman office in UAE of the Company audited under Section 143(8) of the Act by the branch auditors have been forwarded to us and have been duly dealt with by us while preparing this report;

   d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   e. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules as amended;

   f. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B";**

   h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35(1a) to the Standalone Ind AS financial statements;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under applicable laws or accounting standards;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have 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.

(d) The Company has not declared or paid any Dividend during the year.

(e) The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 24222945BKFAMA1452

Place: Bengaluru
Date: May 23, 2024

Annexure 'A' to the Auditors' Report

The Annexure referred to in our report to the members of Kirloskar Electric Company Limited for the year ended March 31, 2024. We report that:

i) a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment (PPE).

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

b) Management has physically verified these PPE in various units as per a phased program of physical verification, which is at reasonable intervals. The discrepancies noticed on such verification were not material however the same has been properly dealt with in the books of account.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment and Intangible Assets during the year.

e) According to the information and explanations given to us, there are no proceedings which has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988. Hence, reporting whether the Company has appropriately disclosed in the financial statements or not does not arise.

ii) a) With regard to inventory, physical verification has been conducted by the management at reasonable intervals and certain mistakes noticed in the inventory records have been corrected to the extent identified based on physical verification taken from time to time. No material discrepancies were noticed.

b) As per the explanations provided to us and records verified by us, the Company has been sanctioned working capital limits in excess of ₹Five crores, in aggregate, from banks on the basis of security of current assets during the financial year and the quarterly returns/ statements filed by the company with the banks are in agreement with the books of account of the Company and no material discrepancies were noticed.

iii) a) The Company has made investments but has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

Since the Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, reporting under clause 3(iii)(a), (c), (d), (e) & (f) of the Order are not applicable.

b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Companies' Interest.

iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made or guarantees given to the wholly owned subsidiaries covered under section 186 of the Companies Act, 2013. There were no loans given nor securities provided to wholly owned subsidiaries covered under section 186 of the Companies Act, 2013.

v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the said Act and the rules framed there under, with regard to deposits accepted from the public. There were no delays in repayment of deposits during the financial year ended March 31, 2024 and the management has represented to us that there are no deposits unpaid as laid down in section 74 and other relevant provisions of the Companies Act, 2013. Further and according to the information by the Company, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and read with paragraph 2 above regarding inventory records, we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.

vii) a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, Cess and any Other Statutory Dues barring delays in few cases in certain months in respect of provident fund. According to the information and explanations given to us, there are no undisputed amounts payable in respect of above-mentioned statutory dues which were in arrears, as at March 31, 2024 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of Sales Tax, Value Added Tax and Income Tax had not been deposited as at March 31, 2024 with the relevant authorities on account of disputes.

(₹ In lakhs)

Name of the statue	Nature of the dues	Amount (₹ in Lakhs.)	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax Act, 1957	Resale tax demanded	228.90	2003 - 2005	Supreme Court
The Central Sales Tax Act, 1956 & The Bombay Sales Tax Act, 1959	Sales tax demand	389.88	1999-00 to 2008-09, 2011-12 & 2012-13	Joint Commissioner of Commercial Taxes
Income Tax Act, 1961	Income Tax Demand	3196.18	AY 2013-2014 & AY 2014-2015	CIT (A)
Goods & Services Tax Act, 2017	Transitional Input Tax Credit	1417.12	2017-18	Additional Commissioner of Central Tax

viii) As per the information and explanations given to us, there were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a) In our opinion and according to the information and explanations given to us, there were no loans taken by the Company from the Government or from the debenture holders. The Company has not defaulted in repayment of loans or borrowings to banks and financial institutions.

b) As per the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us, the term loans were applied for which the loans were obtained.

d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) As per the information and explanations given to us and on the basis of our examination of books and records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) As per the information and explanations given to us and on the basis of our examination of books and records, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order 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. Hence, reporting on the compliance under Section 42 and Section 62 of the Companies Act, 2013 does not arise.

xi) a) According to the information and explanation given to us and on the basis of examination of books and records, there were no frauds by the Company or on the Company that has been noticed or reported during the year.

b) As there were no frauds noticed or reported during the year, filing of report under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government does not arise.

c) According to the information and explanation given to us and basis of our examinations of books and records, there were no Whistle-blower complaints received during the year.

xii) The Company is not a Nidhi Company. Hence, reporting under clause (xii) of the said Order does not apply.

xiii) In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv) a) In our opinion, the Company has an adequate Internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports for the year under audit issued to the Company in determining the nature, timing and extent of our audit procedures.

xv) According to the information and explanations given, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provision of Section 192 of the Companies Act, 2013 are not applicable to the company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii)There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and as per our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report indicating that

Company is not capable of meeting its liabilities existing at the balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) Since the Company does not come within the purview of Section 135 of the Companies Act 2013, reporting under this clause does not apply.

xxi) Being reporting on Standalone Company, reporting on adverse remarks included in the Consolidated financial statements does not arise.

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 24222945BKFAMA1452

Place: Bengaluru
Date: May 23, 2024

Annexure 'B' to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kirloskar Electric Company Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 24222945BKFAMA1452

Place: Bengaluru
Date: May 23, 2024

BALANCE SHEET AS AT MARCH 31, 2024

₹ In lakhs

Particulars	Note No.	As at March 31,2024	As at March 31,2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	43,757.18	43,927.95
(b) Capital work-in-progress	4	82.94	52.56
(c) Other intangible assets	5	39.06	15.16
(d) Financial assets			
(i) Investments	6	1,063.38	1,047.46
(ii) Trade receivables	7	322.00	357.75
(iii) Other financial assets	8	238.95	224.64
(e) Other non-current assets	9	1,726.35	2,077.78
Total non-current assets		**47,229.86**	**47,703.30**
Current assets			
(a) Inventories	10	4,777.79	5,167.96
(b) Financial assets			
(i) Trade receivables	11	6,435.66	3,034.80
(ii) Cash and cash equivalents	12	1,636.49	1,265.98
(iii) Other Bank balances	13	1,178.59	1,098.48
(c) Other current assets	14	3,565.50	3,772.82
Total current assets		**17,594.03**	**14,340.04**
TOTAL ASSETS		**64,823.89**	**62,043.34**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	15	6,641.41	6,641.41
(b) Other equity	16	3,899.33	4,738.59
TOTAL EQUITY		**10,540.74**	**11,380.00**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	629.24	595.90
(b) Provisions	18	2,650.12	2,561.07
(c) Deferred tax liabilities (net)	19	7,754.93	5,449.47
Total non current liabilities		**11,034.29**	**8,606.44**

₹ In lakhs

Particulars	Note No.	As at March 31,2024	As at March 31,2023
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	11,774.79	12,472.26
(ii) Trade payables			
(1) dues to micro and small enterprises, and	21(1)	670.79	1227.82
(2) dues to creditors other than micro and small enterprises	21(2)	18,004.07	15,173.72
(iii) Other financial liabilities	22	109.74	13.86
(b) Provisions	23	3,086.18	3,639.53
(c) Other current liabilities	24	9,603.08	9,529.36
(d) Current tax liabilities (net)	25	0.21	0.35
Total current liabilities		**43,248.86**	**42,056.90**
TOTAL EQUITY AND LIABILITIES		**64,823.89**	**62,043.34**
Significant accounting policies and notes attached form an integral part of the financial statements	**1 - 35**		

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Particulars	Note No.	March 31,2024		March 31,2023	
I	Revenue from operations	26		55,735.08		47,354.79
II	Other income	27		793.37		1,607.69
III	**Total income (I + II)**			**56,528.45**		**48,962.48**
IV	**Expenses:**					
	Cost of materials consumed	28	38,804.09		32,367.12	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	29	417.43		(295.94)	
				39,221.52		32,071.18
	Employee benefit expenses	30		7,652.82		6,587.51
	Finance costs	31		2,451.77		2,134.71
	Depreciation and amortization expenses	32		501.64		500.12
	Other expenses	33		5,183.49		5,080.74
				55,011.24		**46,374.26**
	Less: expenses capitalised			-		-
	Total expenses			**55,011.24**		**46,374.26**
V	**Profit before exceptional items and tax (III-IV)**			**1,517.21**		**2,588.22**
VI	Exceptional Items			-		-
VII	**Profit before tax (V-VI)**			**1,517.21**		**2,588.22**
VIII	Tax expense:	25A				
	Current tax		-		0.16	
	Deferred tax		-	**-**	**-**	**0.16**
IX	**Profit for the year (VII - VIII)**			**1,517.21**		**2,588.06**
X	**Other comprehensive income**					
	(I) Items that will not be reclassified to profit or loss:					
	a) Remeasurements of the defined benefit plans		(62.93)		32.37	
	b) Taxes on above		17.51		(9.01)	
	(ii) Items that will be reclassified to profit or loss:					
	a) Mark to Market of Investments		11.92		12.55	
	b) Revaluation gain on Land		-		(98.21)	
	c) Taxes on above		(2,322.97)	**(2,356.47)**	(1,459.40)	**(1,521.70)**

₹ in Lakhs

	Particulars	Note No.	March 31,2024		March 31,2023	
XI	**Total comprehensive income for the year (IX+X)**			**(839.26)**		**1,066.36**
XII	**Earning per equity share before exceptional item (for continuing operations & combined)**	34				
	Basic & diluted (in ₹)			**2.28**		**3.90**
	Earning per equity share after exceptional item (for continuing operations & combined)	34				
	Basic & diluted (in ₹)			**2.28**		**3.90**
	(Paid up value per share)			10.00		10.00

Significant accounting policies and notes attached form an integral part of the financial statements **1 - 35**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	March 31, 2024		March 31, 2023	
Cash flows from operating activities				
Profit before taxation		1,517.21		2,588.22
Adjustments for:				
Depreciation and amortisation	501.64		500.12	
Provisions (net)	(992.72)		(82.09)	
Profit on sale of fixed assets	(2.91)		(213.25)	
Interest income	(117.73)		(69.09)	
Dividends received	(0.51)		(0.30)	
Finance costs	2,451.77		2,134.71	
		1,839.54		**2,270.10**
		3,356.75		**4,858.32**
(Increase)/ decrease in trade and other receivables	(2,585.67)		(943.61)	
(Increase)/ decrease in inventories	390.17		(464.12)	
Increase/ (decrease) in trade payables and other current liabilities	2,380.38		(2,438.96)	
		184.88		**(3,846.69)**
		3,541.63		**1,011.63**
Income taxes paid		(106.04)		60.29
Net cash from operating activities		**3,647.67**		**951.34**
Cash flows from investing activities				
Purchase of property, plant and equipment	(250.15)		(385.73)	
Proceeds from sale of property, plant and equipment	3.96		224.17	
Purchase of investments	(4.00)		-	
Interest received	120.30		63.59	
Increase in margin money and short term deposits	(94.42)		(98.38)	
Dividend received	0.51		0.30	
Net cash from investing activities		**(223.80)**		**(196.05)**
Cash flows from financing activities				
ICD's accepted net	3,275.00		-	

₹ in Lakhs

Particulars	March 31, 2024		March 31, 2023	
ICD's repaid net	(718.69)		(64.10)	
Repayment of fixed deposits from public	(7.40)		(14.70)	
Increase/ (decrease) of short term borrowings (net)	(3,246.38)		(790.30)	
Finance costs	(2,355.89)		(2,291.09)	
Net cash from financing activities		**(3,053.36)**		**(3,160.19)**
Net increase/(decrease) in cash and cash equivalents		**370.51**		**(2,404.90)**
Cash and cash equivalents at beginning of the year		1,265.98		3,670.88
Cash and cash equivalents at end of the year		**1,636.49**		**1,265.98**

Cash & Cash equivalents:

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7, 'Statement of Cash Flow'. Cash and cash equivalents are net of bank overdrafts as required under Ind AS-7. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Cash on hand and bank balances	2,815.08	2,364.46
Less: Other bank balances	1,178.59	1,098.48
Cash and cash equivalents as restated	**1,636.49**	**1,265.98**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(a) Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	**6,641.41**	**6,641.41**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**6,641.41**	**6,641.41**

(b) Other Equity

₹ in Lakhs

Particulars	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings	Reconstruction reserves	Total (A)	Other Comprehensive Income			Total (B)	"Total Other equity (A+B)"
							Items that will be reclassified to profit or loss		Items that will not be reclassified to profit or loss		
							Fair value of Investment	Revaluation of Land	Actuarial gains/ (losses) of employee benefits		
Total comprehensive income as at March 31, 2022	**2,401.75**	**18.06**	**4,410.84**	**(39,980.23)**	**641.67**	**(32,507.91)**	**98.29**	**35,975.41**	**106.44**	**36,180.14**	**3,672.23**
Add/(Less): profit/(Loss) for the year	-	-	-	2,588.06	-	2,588.06	12.55	(98.21)	-	(85.66)	2,502.40
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	32.37	32.37	32.37
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	(2.66)	(1,456.74)	(9.01)	(1,468.41)	(1,468.41)
Total comprehensive income as at March 31, 2023	**2,401.75**	**18.06**	**4,410.84**	**(37,392.17)**	**641.67**	**(29,919.85)**	**108.18**	**34,420.46**	**129.80**	**34,658.44**	**4,738.59**
Add/(Less): profit/(Loss) for the year	-	-	-	1,517.21	-	1,517.21	11.92	-	-	11.92	1,529.13
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	(62.93)	(62.93)	(62.93)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	(3.32)	(2,319.65)	17.51	(2,305.46)	(2,305.46)
Total comprehensive income as at March 31, 2024	**2,401.75**	**18.06**	**4,410.84**	**(35,874.96)**	**641.67**	**(28,402.64)**	**116.78**	**32,100.81**	**84.38**	**32,301.97**	**3,899.33**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. BACKGROUND:

Kirloskar Electric Company Limited ("the Company") was incorporated in the year 1946 and is a Listed Indian Company engaged in the manufacture and sale of electric motors, alternators, generators, transformers, switchgear, DG sets etc.

2. SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

b. USE OF ESTIMATES:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which such changes are made. Examples of such estimates are estimation of useful life of assets, defined benefit obligations as per actuarial valuation, allowance for life time credit losses, warranty obligations, net realizable value of inventories etc.

c. FUNCTIONAL AND PRESENTATION CURRENCY:

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All the financial information is presented in Indian Rupees (₹) rounded to the nearest Lakhs, except Share and Earning per share data, unless otherwise stated.

d. FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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:

- 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 takes into account 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 market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

* 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 categorisation (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 on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e. PROPERTY, PLANT AND EQUIPMENT ("PPE"):

(i) Tangible Assets:

Land has been recognized on the revaluation model envisaged in Ind AS 16. Revaluations are carried out at sufficient regularity. Other items of PPE are stated at the cost of acquisition less accumulated depreciation and write down for impairment, if any. Direct costs are capitalized until the assets are ready to be put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

(ii) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets comprise computer software held for use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

In both cases, the company has opted for the exemption provided in Ind AS 101 by treating the book value of PPE (other than land which was revalued on April 01,2016) and intangible assets as on the transition date (April 01,2016) as the deemed cost of the relevant assets.

(iii) Depreciation & Amortization:

a. Depreciation on furniture and fixtures costing above ₹ 5,000/- provided at the residences of the employees has been charged at the rate of 33.33% on the straight-line method irrespective of the month of addition.

b. Depreciation on assets taken on finance lease is charged over the primary lease period.

c. Depreciation on PPE (other than Furniture and Fixtures provided to employees and assets taken on finance lease) bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Companies Act, 2013 on a monthly basis, depending upon the month of the financial year in which the assets are installed/sold.

d. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

f. INVESTMENT PROPERTIES:

a. Investment properties are properties held for a currently undetermined future use and are valued at cost.

b. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss in the period in which the property is derecognized.

g. NON CURRENT ASSETS HELD FOR SALE:

Non Current Assets held for sale are stated at cost or estimated net realizable value, whichever is lower.

h. INVENTORIES:

(i) Inventories does not include spare parts, servicing equipment and stand by equipment which meet definition of PPE as

per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at works cost or net realizable value whichever is lower.

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

i. REVENUE RECOGNITION:

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 01 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 01 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

j. EMPLOYEE BENEFITS:

(i) <u>Short term employee benefits:</u>

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognized on an undiscounted basis and charged to the statement of profit and loss.

(ii) <u>Post employment benefits:</u>

a. Defined contribution plans:

The Company has contributed to provident, pension and superannuation funds which are defined contribution plans. The contributions paid/ payable under the scheme are recognized during the year in which employee renders the related service.

b. Defined benefit plans:

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the other comprehensive income.Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.Gratuity to employees is covered under Group Gratuity Life Assurance Scheme of the Life Insurance Corporation of India.

c. Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected

cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

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

k. FOREIGN CURRENCY TRANSACTIONS:

(i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.

(ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.

(iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

(iv) Branches are considered as integral foreign operations and have been translated at rates prevailing on the date of transaction/rate that approximates the actual rate as at that date. Branch monetary assets and liabilities outstanding as at year end are restated at the year end rates.

l. TAXATION:

Income tax expense is the sum of current tax and deferred tax.

Current tax:

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss due to the effect of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

m. BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relatable to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

n. LEASES:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii)Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

o. PROVISIONS AND CONTINGENT LIABILITIES:

(i) A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(ii) Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(iii)Provisions for warranty-related costs are recognized when the service provided to the customer. Initial recognition is based on historical experience and the present value of the future estimated obligation. The initial estimate of warranty-related costs is revised annually. The annual rewinding of interest is recognized in the Statement of Profit and Loss.

(iv)A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p. FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly

attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii)Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii)Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

q. IMPAIRMENT:

(i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii)Investment in Subsidiaries and Associates:

The Company has accounted for its investments in Subsidiaries and Associates at cost less impairment loss (if any).

(iii)Other Equity Investments:

All other equity instruments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

(iv)Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

r. EARNINGS PER SHARE:

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 numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

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.

3 Property plant and equipment:

₹ In Lakhs

Tangible assets	Own Assets									Assets taken on Finance Lease	Total
Gross block	**Land**	**Building**	**Plant and equipment**	**Tools & Jigs**	**Electrical installations**	**Motor vehicles**	**Office equipments**	**Furniture and fittings**	**Leasehold improvements**	**Land**	
Balance as at March 31, 2022	**35,556.36**	**4,938.14**	**15,171.57**	**1,869.77**	**156.21**	**411.92**	**251.66**	**672.86**	**313.35**	**4,920.10**	**64,261.94**
Additions	-	72.40	159.16	26.71	-	-	110.00	9.10	-	-	377.37
Revaluation (Refer note 4 below)	98.21	-	-	-	-	-	-	-	-	-	98.21
Disposals	10.91	-	25.35	-	1.62	-	4.97	28.56	-	-	71.41
Balance as at March 31, 2023	**35,447.24**	**5,010.54**	**15,305.38**	**1896.48**	**154.59**	**411.92**	**356.69**	**653.40**	**313.35**	**4,920.10**	**64.469.69**
Additions	-	30.00	85.61	55.01	-	87.60	47.89	7.60	-	-	313.71
Disposals	-	-	34.92	-	-	106.04	7.16	86.37	-	-	234.49
Balance as at March 31, 2024	**35,447.24**	**5,040.54**	**15,356.07**	**1,951.49**	**154.59**	**393.48**	**397.42**	**574.63**	**313.35**	**4,920.10**	**64,548.91**
Accumulated depreciation											
Balance as at March 31, 2022	**-**	**2,685.27**	**14,397.39**	**1,480.85**	**155.84**	**373.72**	**211.48**	**658.20**	**148.51**	**-**	**20,111.26**
Depreciation charge for the year	-	150.48	206.93	73.59	0.21	21.72	18.60	8.97	10.47	-	490.97
Disposals	-	-	25.35	-	1.62	-	4.96	28.56	-	-	60.49
Balance as at March 31, 2023	**-**	**2,835.75**	**14,578.97**	**1,554.44**	**154.43**	**395.44**	**225.12**	**638.61**	**158.98**	**-**	**20,541.74**
Depreciation charge for the year	-	154.34	199.36	62.07	0.09	14.30	36.63	6.17	10.47	-	483.43
Disposals	-	-	34.92	-	-	106.04	6.15	86.33	-	-	233.44
Balance as at March 31, 2024	**-**	**2,990.09**	**14,743.41**	**1,616.51**	**154.42**	**303.70**	**255.60**	**558.45**	**169.45**	**-**	**20,791.73**
Net block											
Balance as at March 31, 2022	35,556.36	2,252.87	774.18	388.92	0.37	38.20	40.18	14.66	164.84	4,920.10	44,150.68
Balance as at March 31, 2023	35,447.24	2,174.79	726.41	342.04	0.16	16.48	131.57	14.79	154.37	4,920.10	43,927.95
Balance as at March 31, 2024	**35,447.24**	**2,050.45**	**612.66**	**334.98**	**0.07**	**89.78**	**141.82**	**16.18**	**143.90**	**4,920.10**	**43,757.18**

Additional information:

1) Land taken on lease from KIADB at cost aggregating to ₹ 68.70 lakhs. On expiry of lease periods, payment of balance considerations if any, and execution of sale deeds, the relevant title will pass to the Company.

2) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

3) During the previous year ended March 31, 2022, the Company has sold part of revalued land situated at Hubbali and accordingly the revaluation gain of ₹3,277.32 lakhs recognised earlier has been reversed.

4) During the previous year ended March 31, 2023, the Company has sold revalued land situated at Gudimangalam and accrodingly revaluation gain of ₹98.21 lakhs recognised earlier has been reversed.

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 20223
4 Capital work in progress:		
(i) Plant and machinery	82.94	52.56
	82.94	**52.56**

5 Other intangible assets

₹ In Lakhs

Gross block	Goodwill	Computer software	Technical knowhow & product development	Total
Balance as at March 31, 2022	**423.46**	**618.86**	**149.23**	**1,191.55**
Additions	-	4.93	-	4.93
Balance as at March 31, 2023	**423.46**	**623.79**	**149.23**	**1,196.48**
Additions	-	42.11	-	42.11
Balance as at March 31, 2024	**423.46**	**665.90**	**149.23**	**1,238.59**
Accumulated amortisation				
Balance as at March 31, 2022	**423.46**	**599.48**	**149.23**	**1,172.17**
Amortisation charge for the year	-	9.15	-	9.15
Balance as at March 31, 2023	**423.46**	**608.63**	**149.23**	**1,181.32**
Amortisation charge for the year	-	18.21	-	18.21
Balance as at March 31, 2024	**423.46**	**626.84**	**149.23**	**1,199.53**
Net block				
Balance as at March 31, 2022	-	19.38	-	19.38
Balance as at March 31, 2023	-	15.16	-	15.16
Balance as at March 31, 2024	**-**	**39.06**	**-**	**39.06**

6 Investments

Details of investments Name of the Company	As at March 31, 2024			As at March 31, 2023		
	No of shares	Face value	₹ In Lakhs	No of shares	Face value	₹ In Lakhs
a) Investments in equity Instruments:						
i) Subsidiaries: (Trade)						
Fully paid up						
KEC North America Inc (refer additional information 3)	210	-	129.36	210	-	129.36
Kelbuzz Trading Private Limited (refer additional information 6)	7,020,000	10	776.26	7,010,000	10	775.26
Luxquisite Parkland Private Limited (refer additional information 7)	60,650,000	10	6,065.00	60,640,000	10	6,064.00
SLPKG Estate Holdings Private Limited (refer additional information 6)	100,000	10	88.65	90,000	10	87.65
SKG Terra Promenade Private Limited (refer additional information 6)	20,000	10	2.00	10,000	10	1.00
ii) Associates: (Trade)						
Fully paid up						
Kirloskar (Malaysia) Sdn. Bhd. Kuala Lumpur, Malaysia	300,000	MR1	5.29	300,000	MR1	5.29

NOTES TO FINANCIAL STATEMENTS

Details of investments	Name of the Company	As at March 31, 2024			As at March 31, 2023		
		No of shares	Face value	₹ In Lakhs	No of shares	Face value	₹ In Lakhs
iii)	Others						
	Fully paid up						
	ICICI bank Limited (on merger of Sangli Bank Limited)	5,945	2	65.15	5,945	2	52.15
	The Mysore Kirloskar Limited (refer additional information 4)	770,750	10	-	770,750	10	-
	Kirloskar Proprietary Limited (refer additional information 5)	26	100	37.33	26	100	35.47
	Kirsons Trading Pte.Limited (refer additional information 5)	56,250	S $1	45.02	56,250	S $1	46.12
	Kirloskar Power Equipments Limited (refer additional information 5)	340,000	10	42.48	340,000	10	44.32
	Dr. Prabhakar Kore Credit Souhard Shakari Ltd	210	100	0.20	210	100	0.20
b)	**Investments in debentures or bonds:**						
i)	Others						
	Fully paid up						
	The Mysore Kirloskar Limited (refer additional information 4)	30,000	44	-	30,000	44	-
	Total			**7,256.74**			**7,240.82**
	Less:						
	Provision for impairment in value of investments			6,193.36			6,193.36
	Total			**1,063.38**			**1,047.46**

Additional Information:

1)	Aggregate value of quoted investments:		
	Carrying Value	1.00	1.00
	Market Value	65.15	52.15
2)	Aggregate value of unquoted investments:		
	Carrying Value	7,191.59	7,188.67

3) This Company has been dissolved. However, the investment has not been written off since no approvals have been obtained from Reserve Bank of India. However full provision has been made for the same.

4) Securities in The Mysore Kirloskar Limited have been written off.

5) Shares held in Kirloskar Proprietary Limited, Kirloskar Trading Pte Limited and Kirloskar Power Equipments Limited (all unlisted) have been mark to market based on the net asset value of an equity share as at March 31, 2024 and March 31, 2023 as per their latest audited financial statements as of those dates. The differential amounts as on the date of transition has been recognized in opening reserves and changes thereafter have been recognized as other comprehensive income.

6) Investments in Subsidiaries includes financial guarantee contracts which have been recognised at fair value at the inception in accordance with Ind AS 109 along with accrued guarantee charges. The carrying value of investments in subsidaries include fair value of guarantees given by the company on behalf of the subsidiaries and the cumulative value of guarantee charges recognised as income. No gurantee fees is chargable as per contractual terms.

7) During the year ended March 31, 2021, company has made 100% provision of ₹6,064 lakhs towards investment in one of its wholly owned subsidiary Luxquisite Parkland Private Limited.

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Trade receivables:**		
	(unsecured and considered good)		
	i) Long term trade receivables	322.00	357.75
		322.00	**357.75**
8	**Other Financial Assets:**		
	i) Bank deposits with more than twelve months maturity	238.95	224.64
		238.95	**224.64**
9	**Other non current assets:**		
	(unsecured and considered good, unless otherwise stated)		
	i) Capital advances	702.14	838.19
	ii) Security deposits	316.59	332.03
	iii) Rent deposit to related parties	100.00	100.00
	iv) Deferred Income - rental deposit	20.81	28.17
	v) Disputed statutory liabilities/ taxes paid	521.54	607.94
	vi) Income tax receivable (net)	65.27	171.45
		1,726.35	**2,077.78**
	Amounts due from a private company in which a director of the Company is a director included in (iii) above	100.00	100.00
10	**Inventories:**		
	i) Raw materials	1,164.65	1,138.70
	ii) Work in progress	3,375.21	3,029.98
	iii) Finished goods	282.18	1,050.32
	iv) Stores and spares	59.23	57.54
	v) Others (scrap stock)	16.75	14.21
	Goods in transit:		
	i) Raw materials	-	0.40
	ii) Finished goods	2.96	-
		4,900.98	**5,291.15**
	Less: Provision for non-moving stocks	123.19	123.19
		4,777.79	**5,167.96**
11	**Trade receivables:**		
	i) Trade receivables exceeding six months	1,742.53	2,002.94
	ii) others	6,633.17	3,428.46
		8,375.70	**5,431.40**
	Less: allowance for credit loss	1,940.04	2,396.60
		6,435.66	**3,034.80**
	Amounts due by private companies in which directors of the Company are directors	-	3.29

NOTES TO FINANCIAL STATEMENTS

Trade receivables ageing as at March 31, 2024: ₹ In Lakhs

Particulars	Undisputed trade receivables		Disputed trade receivables		Total
	Considered good	Considered credit impaired	Considered good	Considered credit impaired	
Less than 6 months	6,595.22		4.70	33.25	6633.17
6 months to 1 year	255.33		0.19	34.00	289.52
1-2 year	92.39		0.99	37.49	130.87
2-3 year	19.14	26.13		9.14	54.41
more than 3 year	62.24	60.86		1,144.63	1,267.73
Total					**8,375.70**
Less: allowance for credit loss					1,940.04
Total					**6,435.66**

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
12	**Cash and Cash Equivalents:**		
	Cash and cash equivalents:		
	i) Balances with banks		
	- in other accounts	1,636.33	1,264.49
	ii) Cash on hand	0.16	1.49
		1,636.49	**1,265.98**
13	**Other bank balances:**		
	i) Balances with banks		
	- in short term deposits	440.17	379.31
	- in margin money, security for borrowings, guarantees and other commitments	738.42	719.17
		1,178.59	**1,098.48**
	Total (12 + 13)	**2,815.08**	**2,364.46**
14	**Other Current assets:**		
	(unsecured and considered good, unless otherwise stated)		
	i) Loans and advances to related parties (Refer Note 35(5))	102.56	107.87
	ii) Advance paid to suppliers and others	815.75	796.25
		918.31	**904.12**
	Less: Allowance for doubtful advances for advance paid to suppliers and others	105.88	114.81
		812.43	**789.31**
	iii) Receivables from subsidiaries	11,153.84	11,384.28
	Less: Allowance for receivables from subsidiaries	8,400.77	8,400.77
		2,753.07	**2,983.51**
	Total	**3,565.50**	**3,772.82**

NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Number	₹ in Lakhs	Number	₹ in Lakhs
15	**Share capital:**				
	Authorized: (*)				
	Preference Shares of ₹ 100/- each	3,000,000	3,000.00	3,000,000	3,000.00
	Equity shares of ₹ 10/- each	85,000,000	8,500.00	85,000,000	8,500.00
			11,500.00		**11,500.00**
	Issued, subscribed and fully paid up:				
	Equity shares of ₹ 10/- each				
	At the beginning of the year	66,414,071	6,641.41	66,414,071	6,641.41
	Issued during the year	-	-	-	-
	At the close of the year	**66,414,071**	**6,641.41**	**66,414,071**	**6,641.41**
	Total carried to Balance Sheet	**66,414,071**	**6,641.41**	**66,414,071**	**6,641.41**

Foot notes:

1 Preference shares:

a. The Company had issued cumulative preference shares of ₹ 100/- each. The preference shareholders did not have voting rights.

b. 1,176,746 Preference shares (value ₹ 1,176.75 lakhs) were allotted pursuant to a contract without consideration being received in cash. These preference shareholders were allotted to preference share holders of Kaytee Switchgear Limited as fully paid up pursuant to the Scheme of arrangement approved by the Honorable High Court of Karnataka under sec 391 -394 of the Companies Act, 1956 without payment being received in cash.

c. During the financial year 2014-15 Company issued and allotted 1,595,890 (Fifteen lakh ninety five thousand eight hundred and ninety) Compulsory Convertible Preference Shares ("CCPS") of ₹ 100/-(Rupees one hundred), to Mr. Vijay Ravindra Kirloskar (Promoter) by way of private placement for a tenor not exceeding 18 months which carried a preferential cumulative dividend of 0.1% (zero point one per cent) per annum, payable till the date of conversion into equity shares. 777,485 Preference shares were converted into 2,554,156 equity shares of face value of ₹ 10/- each issued at premium of ₹ 20.44 (Rupees twenty and forty four paise) as per the first tranche on February 11, 2016 and 818,405 Preference shares were converted into 2,688,583 equity shares of face value of ₹ 10/- each issued at a premium of ₹ 20.44 (Rupees twenty and forty four paise) as per the second tranche on September 26, 2016.

2 Equity shares:

a. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

NOTES TO FINANCIAL STATEMENTS

b. Equity Shares of ₹ 10/- each includes:

Particulars		As at March 31, 2024		As at March 31, 2023	
		Number	₹ in Lakhs	Number	₹ in Lakhs
(i)	Equity shares include Shares allotted pursuant to a contract without consideration being received in cash. These shares were issued to shareholders of Kaytee Switchgear Limited and Kirloskar Power Equipment Limited as fully paid, pursuant to Scheme of arrangement approved by the Honorable High Court of Karnataka under sections 391 - 394 of the Companies Act, 1956.	17,252,550	1725.26	17,252,550	1725.26
(ii)	Shares allotted during the year 2007-08 to the promoters group in terms of order dated September 29, 2007 of the Honorable High Court of Karnataka read with scheme of arrangement dated February 13, 2003 under sections 391 to 394 of The Companies Act, 1956.	2,000,000	200	2,000,000	200
(iii)	Shares allotted during the year 2003 - 04 to IDBI on conversion of Preference Share Capital at face value as per the scheme of arrangement approved by Honorable High Court of Karnataka.	6,000,000	600	6,000,000	600
(iv)	Shares allotted during the year 2014-15 to Vijay R Kirloskar at a premium of ₹ 20.44 per share.	2,658,200	265.82	2,658,200	265.82
(v)	Shares allotted during the year 2015-16 to Vijay R Kirloskar at a premium of ₹ 20.44 per share by conversion of CCPS.	2,554,156	255.42	2,554,156	255.42
(vi)	Shares allotted during the year 2016-17 to Vijay R Kirloskar at a premium of ₹ 20.44 per share by conversion of CCPS.	2,688,583	268.86	2,688,583	268.86

c. Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Particulars		As at March 31, 2024		As at March 31, 2023	
		Number	Percentage	Number	Percentage
(i)	Abhiman Trading Company Private Limited	5,217,063	7.86%	5,217,063	7.86%
(ii)	Vijayjyothi Investment & Agencies Private Limited	4,271,217	6.43%	4,271,217	6.43%
(iii)	Vijay Ravindra Kirloskar	11,890,618	17.90%	11,890,618	17.90%
(iv)	Vijay Farms Private Limited	3,540,807	5.33%	3,540,807	5.33%

d. Shareholding of promotors

Sl No	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of Shares	% of total shares	
1	Vijay Ravindra Kirloskar	11,890,618	17.90	-
2	Meena Kirloskar	184,514	0.28	-
3	Abhiman Trading Company Limited	5,217,063	7.86	-
4	Vijayjyothi Investments and Agencies Private Limited	4,271,217	6.43	-
5	Vijay Farms Private Limited	3,540,807	5.33	-
6	Vijaykirti Investments and Agencies Private Limited	3,064,094	4.61	-
7	Sri Vijayadurga Investments and Agencies Private Limited	1,774,506	2.67	-
8	Vimraj Enterprises Private Limited	1,606,483	2.42	-
9	Kirloskar Power Equipments Limited	1,146,315	1.72	-
10	Kirloskar Batteries Private Limited	186,500	0.28	-

NOTES TO FINANCIAL STATEMENTS

16 Other Equity

₹ in Lakhs

Particulars	Capital redemption reserve	Capital reserve	Securities premium	Retained earnings	Reconstruction reserves	Total (A)	Other Comprehensive Income			Total (B)	Total Other equity (A+B)
							Items that will be reclassified to profit or loss		Items that will not be reclassified to profit or loss		
							Fair value of Investment	Revaluation of Land	Actuarial gains/ (losses) of employee benefits		
Total comprehensive income as at March 31, 2022	**2,401.75**	**18.06**	**4,410.84**	**(39,980.23)**	**641.67**	**(32,507.91)**	**98.29**	**35,975.41**	**106.44**	**36,180.14**	**3,672.23**
Add/(Less): profit/(Loss) for the year	-	-	-	2,588.06	-	2,588.06	12.55	(98.21)	-	(85.66)	2,502.40
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	32.37	32.37	32.37
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	(2.66)	(1,456.74)	(9.01)	(1,468.41)	(1,468.41)
Total comprehensive income as at March 31, 2023	**2,401.75**	**18.06**	**4,410.84**	**(37,392.17)**	**641.67**	**(29,919.85)**	**108.18**	**34,420.46**	**129.80**	**34,658.44**	**4,738.59**
Add/(Less): profit/(Loss) for the year	-	-	-	1,517.21	-	1,517.21	11.92	-	-	11.92	1,529.13
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	(62.93)	(62.93)	(62.93)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	(3.32)	(2,319.65)	17.51	(2,305.46)	(2,305.46)
Total comprehensive income as at March 31, 2024	**2,401.75**	**18.06**	**4,410.84**	**(35,874.96)**	**641.67**	**(28,402.64)**	**116.78**	**32,100.81**	**84.38**	**32,301.97**	**3,899.33**

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non- Current Liabilities		
17 Other Financial Liabilities:		
Security deposits from suppliers and dealers	606.85	595.90
Vehicle Loan	22.39	-
	629.24	**595.90**
18 Provisions:		
Provisions for employee defined benefit plans	2,650.12	2,561.07
	2,650.12	**2,561.07**
19 Deferred tax Liabilities (net):		
i) Deferred tax liability:		
a) On account of depreciation on fixed assets (other than land)	540.95	630.09
b) On account of revaluation of land and others	7,754.93	5,449.47
Total	**8,295.88**	**6,079.56**
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure (restricted to Deferred tax liability on depreciation on fixed assets above)	540.95	630.09
Total	**540.95**	**630.09**
Net deferred tax liability/(asset)	**7,754.93**	**5,449.47**
Current Liabilities		
20 Borrowings:		
1) Secured loans:		
a) Loans repayable on demand		
- from banks	3,767.79	3,766.14
- Other than banks	-	3,248.03
	3,767.79	**7,014.17**
2) Unsecured loans:		
Other than banks:		
a) Inter corporate deposits	7,997.00	5,440.69
b) Current maturities of fixed deposits	10.00	17.40
	8,007.00	**5,458.09**
Total	**11,774.79**	**12,472.26**
1) Details of security for secured loans:		
a) Working capital loan (cash credit) from Lenders as specified in Master Restructuring Agreement ("MRA") are secured against a first pari passu charge by way of hypothecation of all book debts, receivables, stocks, inventories, operating cash flows, commissions, revenues of whatsoever nature and whatever arising (present & future) including Trust and Retention Account, a first pari passu charge by way of mortgage on all of the Company's immovable properties as set out in Schedule VI of MRA, a first pari passu charge by way of pledge of 24,886,143 fully paid equity shares of the Company held by the promoters as specified in MRA. These loans carry an interest rate of 16.50% (base rate of Bank of India plus 80 basis points) per annum and also guaranteed by the Executive Chairman of the Company.	3,767.79	3,766.14
b) Loan from a bank is secured against the equitable mortgage of certain immovable property of the Company, equitable mortagage of immovable properties of SKG Terra Promenade Private Limited (SKG) and guaranteed by the Executive chairman of the Company. Further corporate guarantee is given by the said SKG in respect of those specified properties and the loan carried an interest of 13.85% per annum.	-	-

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
c) Loan from other than banks is secured against the mortgage of immovable property of KPEL and personel property of the promotor of the Company. Loan carries an interest rate of 14% per annum.	-	3,248.03

2) Details of security for unsecured loans:

a) Inter corporate deposits are taken for periods ranging between 90 to 360 days with interest rates averaging upto 13.30% per annum.

b) Fixed deposits include ₹ 10.00 lakhs as at March 31, 2024 (as at March 31, 2023 ₹ 17.40 lakhs) matured unclaimed deposits.

21 Trade payables:		
1. Dues to micro, small and Medium enterprises	670.79	1,227.82
	670.79	**1,227.82**
2. Dues to creditors other than micro, small and Medium enterprises		
i) Other trade payables	13,500.84	10,449.09
ii) Acceptances	4,503.23	4,724.63
	18,004.07	**15,173.72**

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

₹ In Lakhs

Sl No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Principal amount due and remaining unpaid	670.79	1,227.82
2	Interest due on (1) above and the unpaid interest	79.51	75.66
3	Interest paid on all delayed payments under the MSMED Act	Nil	Nil
4	Interest due and payable for the period of delay other than (3) above	Nil	Nil
5	Interest accrued and remaining unpaid	88.04	79.51
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	88.04	79.51

Trade Payables ageing as at March 31, 2024

₹ In Lakhs

S.No.	Particulars	Dues to micro and small enterprises	Other trade payables
1	Not due	139.62	7,589.85
2	Less than 1 year	323.28	1,171.67
3	1-2 years	50.40	365.46
4	2-3 years	23.14	1,199.07
5	More than 3 years	134.35	3,174.79
	Total	**670.79**	**13,500.84**

22 Other financial liabilities		
a) Interest accrued	109.74	13.86
	109.74	**13.86**
23 Provisions:		
a) Provision for short term compensated absences	163.46	195.04
b) Provision for wage arrears	1,079.95	1,411.27
c) Provision for warranty	444.46	419.65
d) Provision for contingencies	1,398.31	1,613.57
	3,086.18	**3,639.53**

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
24	**Other current liabilities:**		
a)	Statutory liabilities	607.48	382.38
b)	Other liabilities	6,415.23	6,587.05
c)	Trade advances	2,580.37	2,559.93
		9,603.08	**9,529.36**
	* Other liabilities include ₹ 5.48 Lakhs (March 31, 2023: ₹ 14.05 Lakhs) payable towards Voluntary Retirement Scheme (VRS)		
25	**Current tax liabilities (net):**		
a)	Provision for tax (net of advance tax)	0.21	0.35
		0.21	**0.35**
25A	**Tax expense:**		
	1. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2024 and March 31, 2023:		
	Profit before tax	1,517.21	2,588.22
	Income tax rate of 25.168% (a)	25.168%	25.168%
	Computed expected tax expense/ (credit)	**381.85**	**651.40**
	Non deductible / (allowable) expenses:		
	Effect of expenses not allowed for tax purpose	(238.10)	(220.80)
	Effect of income not considered for tax purpose	(33.33)	(80.19)
	Impact of losses where deferred tax not recognised	(110.42)	(350.25)
	Income tax expense charged/ (credited) to the Statement of Profit and Loss	**0.00**	**0.16**
26	**Revenue from operations:**		
i)	Sale of products:		
	Motors, alternators and generators	28,228.77	24,232.31
	Transformers	23,058.94	18,838.42
	DG sets	833.76	832.02
	Others	2,993.66	3,153.18
	Total	**55,115.13**	**47,055.93**
ii)	Sale of services	619.95	298.86
	Total Revenue	**55,735.08**	**47,354.79**
27	**Other income:**		
i)	Interest income on bank deposits and others	117.73	69.09
ii)	Interest and guarantee commission income from financial assets	132.42	80.19
iii)	Dividend income from long term investments	0.51	0.30
iv)	Profit on sale of fixed assets (net)	2.91	213.25
v)	Provision no longer required and Unclaimed credit balance written back	486.23	1,206.96
vi)	Miscellaneous income	53.57	37.90
		793.37	**1,607.69**
28	**Cost of materials consumed:**		
a)	Consumption of raw materials, components, stores and spare parts	38,804.09	32,367.12
		38,804.09	**32,367.12**

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
b) Consumption of major raw materials		
Additional Information:		
i) Copper (Wires, strips, rods, sheets etc)	11,597.12	10,227.80
ii) Iron and steel (pigiron, rounds, plates, sheets , etc.,)	7,522.19	6,460.54
iii) Stores and spares	59.23	57.54
iv) Others	19,625.55	15,621.24
29 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year:		
i) Work in progress		
Motors, alternators and generators	2,348.36	2,290.46
Transformers	791.10	458.67
DG Sets	201.86	214.25
Others	33.89	66.60
Total	**3,375.21**	**3,029.98**
ii) Finished goods		
Motors, alternators and generators	259.28	308.89
Transformers	20.92	739.45
Others	4.94	1.98
Total	**285.14**	**1,050.32**
iii) Scrap	16.75	14.21
A	**3,677.10**	**4,094.51**
Less: Stocks at the beginning of the year:		
i) Work in progress		
Motors, alternators and generators	2,290.46	1,855.82
Transformers	458.67	1,471.56
DG sets	212.69	225.73
Others	68.17	33.39
Total	**3,029.99**	**3,586.50**
ii) Finished goods		
Motors, alternators and generators	308.89	146.95
Transformers	739.46	54.81
Others	1.98	1.98
Total	**1,050.33**	**203.74**
iii) Scrap	14.21	8.33
B	**4,094.53**	**3,798.57**
Total (B-A)	**417.43**	**(295.94)**
30 Employee benefit expenses:		
i) Salaries , wages and bonus	6,211.11	5,344.04
ii) Contribution to provident and other funds	758.49	733.82
iii) Staff welfare expenses	683.22	509.65
	7,652.82	**6,587.51**

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars			As at March 31, 2024		As at March 31, 2023
31	**Finance costs:**				
	i) Interest expense		2,054.29		1,780.56
	ii) Other borrowing costs		397.48		354.15
			2,451.77		**2,134.71**
32	**Depreciation and amortization expenses:**				
	i) Depreciation of tangible assets		483.43		490.97
	ii) Amortization of intangible assets		18.21		9.15
			501.64		**500.12**
33	**Other expenses:**				
	i) Power and fuel		847.58		727.70
	ii) Rent		154.50		123.14
	iii) Repairs to buildings		78.59		41.67
	iv) Repairs to machinery		144.37		143.00
	v) Repairs to others		453.27		317.55
	vi) Vehicle maintenance		31.21		39.72
	vii) Insurance		32.75		39.41
	viii) Rates and taxes		322.99		302.47
	ix) Payment to auditors				
	- as auditor (includes branch audit fees of ₹0.83, previous year ₹0.96)	28.33		17.92	
	- for taxation matters (includes ₹0.12, previous year ₹0.13 to branch auditor)	5.12		5.13	
	- for Certification work *	-		-	
	- for limited review	22.50		22.50	
			55.95		45.55
	x) Selling expenses		547.01		583.32
	xi) Commission		37.64		67.98
	xii) Warranty claims		82.40		161.49
	xiii) Allowance for credit loss		(61.47)		228.61
	xiv) Net (gain)/loss on foreign currency transaction and translation		8.50		222.66
	xv) Bad trade receivables written off	395.09		302.84	
	Less: Allowance for doubtful trade receivable withdrawn	395.09		302.84	
	xvi) Irrecoverable loans and advances written off	9.62		310.19	
	Less: Allowance for doubtful loans and advances withdrawn	8.93	0.69	310.19	-
	xvii) Legal and professional charges		725.97		522.20
	xviii) Travelling and conveyance		431.11		328.03
	xix) Printing and stationary		20.99		16.34
	xx) Postage, telegrams and telephones		44.10		42.98
	xxi) Directors sitting fees		38.00		13.20
	xxii) Provision for contingencies		(215.26)		-
	xxiii) Security charges		341.06		312.97

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
xxiv) Contract Labour charges	984.74	752.61
xxv) Miscellaneous expenses	76.80	48.14
	5,183.49	**5,080.74**

34 Earnings per share:

(Basic and diluted)

After extraordinary item:

(a)	**Before exceptional item**		
	Profit for the year after tax	1,517.21	2,588.06
	Weighted average number of equity shares	66,414,071	66,414,071
	Paid up value per share	10.00	10.00
	Earning per share (basic & diluted)	**2.28**	**3.90**
(b)	**After exceptional item**		
	Profit for the year after tax	1,517.21	2,588.06
	Weighted average number of equity shares	66,414,071	66,414,071
	Paid up value per share	10.00	10.00
	Earning per share (basic & diluted)	**2.28**	**3.90**

35 Other notes to accounts:

1. Contingent liabilities and commitments:

(to the extent not provided for)

a) Contingent liabilities:

₹ In Lakhs

	Particulars	As at March 31,2024	As at March 31,2023
i)	Claims against the Company not acknowledged as debts	288.71	488.44
ii)	Guarantees	964.27	820.21
iii)	Bills discounted with Bank	2,312.64	715.23
iv)	Sales tax demanded under appeal. The Company has paid an aggregate amount of ₹118.03 lakhs as at March 31, 2024 against the demand which has been included in disputed statutory dues.	507.91	507.91
v)	The Company has filed before the Honorable Supreme Court, special leave petition in respect of resale tax and sales tax penalty of ₹ 527 lakhs (since merged with the Company) and confirmed by the Honorable High Court of Karnataka. The Company has paid an aggregate amount of ₹ 298.17 lakhs as at March 31, 2024 against the demand which has been included in disputed statutory dues as reported in Note 09 to Financial Statements.	527.07	527.07
vi)	GST Demand for the transitional input tax credit, The Company is in process of filing for rectification or to be contest in Tribunal/ High Court.	1,417.12	-
vii)	Disputed Income tax demand	3,196.18	3,174.13
viii)	Certain industrial disputes are pending before various judicial authorities – not acknowledged by the Company. Liability has been considered against those cases for which is ascertainable, some cases are pending for it is not possible to ascertain liability.	unascertained	unascertained

NOTES TO FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31,2024	As at March 31,2023
ix)	The Company had furnished a guarantee for the redemption of preference shares issued by Kirloskar Investment and Finance Ltd to an extent of ₹ 200 lakhs as at March 31, 2023 (as at March 31, 2022 ₹ 200 lakhs) and had obtained counter guarantee from the said Company. The preference shareholder has claimed a sum of ₹ 200 lakhs along with dividends in arrears of ₹ 205.60 lakhs and interest from the Company. This claim has been upheld by the Debt Recovery Tribunal (DRT). The Company has preferred an appeal before the Debt Recovery Appellate Tribunal(DRAT) to set aside the orders passed by the DRT. The Company has deposited during the earlier year ₹ 102.80 lakhs with DRAT as directed by the Supreme Court of India and the matter stands re-posted for hearing. The Company does not acknowledge this liability.	405.60	405.60

In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgements pending at various forums / settlement of matter. The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable. However as a matter of abundant caution the Company has recognized a provision for contingencies, to take care of any liabilities that may devolve, and included in Note 35(11).

b) Commitments

Particulars	As at March 31,2024	As at March 31,2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	85.76	121.15

2. Additional Information:

a) Value of Imports calculated on CIF basis:

Raw materials, components and spare parts	7.26	15.48

b) Expenditure in foreign currency: (net of withholding tax)

i) Professional, consultancy and other fees	-	0.22
ii) Travel	89.04	70.04
iii) Other expenses	9.90	10.43

c)

Sl No	Particulars	Amount	% to total	Amount	% to total
i)	Value of imported raw materials, spare parts and components consumed	22.16	0.06%	15.48	0.05%
ii)	Value of indigenous raw materials, spare parts and components consumed	38,781.93	99.94%	32,351.64	99.95%
	Total	**38,804.09**	**100.00%**	**32,367.12**	**100.00%**

d) Details of non-resident shareholdings

i) Number of non resident share holders	807	642
ii) Number of shares held by non resident shareholders	779,390	752,832

e) Earnings in foreign exchange:

(i) Export of goods calculated on FOB basis (net)	1,339.72	1,348.82
(ii) Remittances from overseas offices (net)	1,046.53	796.55

3 Confirmation of balances from customers, suppliers and service providers with whom the Company had transactions are awaited in certain cases. Accounts with certain parties are under review and reconciliation. Adjustments will be made on completion of review/reconciliation. In the assessment of the management, effect on revenue if any, is not expected to be material.

4 Certain mistakes noticed in the inventory records have been corrected to the extent identified based on physical inventory taken from time to time. No material discrepancies were noticed.

NOTES TO FINANCIAL STATEMENTS

5 Current assets, loans and advances include ₹ 102.56 Lakhs (as at March 31, 2023 ₹ 107.87 Lakhs) being rescheduled advances from certain companies in which certain key managerial personnel are interested. The Company is confident that these companies will fulfill their obligations and has considered these amounts as good of recovery.

6 During a previous year, the shareholders of the Company at the Annual General Meeting held on September 30, 2013 have approved an Employee Stock Option Scheme. However, the Company has not issued any options as at March 31, 2024 and accordingly, recognition of expense in this respect and requisite disclosures are not applicable.

7 DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

(a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under:

₹ in Lakhs

Particulars	March 31,2024	March 31,2023
Employer's contribution to provident & pension funds	318.69	324.14
Employer's contribution to superannuation fund	107.05	101.51

(b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust and leave encashment is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

₹ in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Leave (Funded)	Gratuity (Funded)	Leave (Funded)
Reconciliation of opening and closing balances of defined benefit obligation:				
Defined benefit obligation at beginning of the year	2,609.66	484.39	2,541.32	525.77
Current service cost (*)	102.75	37.60	100.73	36.15
Interest cost	191.91	36.18	181.51	37.59
Actuarial (gain)/ loss	62.92	35.36	(32.37)	(31.59)
Benefits paid from funds	(258.21)	-	(181.53)	-
Benefits paid directly by employer	-	(118.54)	-	(83.53)
Defined Benefit obligation at end of the year	**2,709.03**	**474.99**	**2,609.66**	**484.39**
Reconciliation of opening and closing balance of fair value of plan assets:				
Fair value of plan assets at beginning of the year	48.59	289.34	70.93	269.50
Interest income	0.61	21.61	4.88	19.27
Employer contribution	264.63	-	156.84	-
Benefits paid from funds	(258.21)	-	(181.53)	-
Actuarial gain/(loss)	3.29	0.57	(2.53)	0.57
Fair value of plan assets at year end	**58.91**	**311.52**	**48.59**	**289.34**
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	58.91	311.52	48.59	289.34
Present value of obligation	2,709.03	474.99	2,609.66	484.39
Amount recognized in Balance Sheet under liabilities:	**2,650.12**	**163.47**	**2,561.07**	**195.05**

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Leave (Funded)	Gratuity (Funded)	Leave (Funded)
Reconciliation of opening and closing balances of defined benefit obligation:				
Expense recognized during the year: (under “note 30” "Employee benefit expenses” in the Statement of Profit and Loss)	**Current year**		**Previous year**	
In Income Statement:				
Current service cost	102.75	37.60	100.73	36.15
Interest cost	191.91	36.18	181.51	37.59
Actual return on plan assets	(0.61)	(21.61)	(4.88)	(19.27)
In Other Comprehensive Income:				
Actuarial (gain)/ loss	59.63	34.79	(29.84)	(32.16)
Net cost	**353.68**	**86.96**	**247.52**	**22.31**

Actuarial assumptions:	**As at March 31, 2024**		**As at March 31, 2023**	
Mortality table	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**
Discount rate (per annum)	7.23%	7.23%	7.47%	7.47%
Expected rate of return on plan assets (per annum)	7.23%	7.23%	7.47%	7.47%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%

(*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Present value of DBO, Fair Value of Plan Assets, Deficit/(Surplus), Experience Adjustments for current and earlier periods of Gratuity (Funded):					
	2023-24	**2022-23**	**2021-22**	**2020-21**	**2019-20**
Defined benefit obligation at the end of the period	(2,709.03)	(2,609.65)	(2,541.31)	(2,407.85)	(2,334.86)
Plan assets at end of the period	58.91	48.59	70.93	116.08	204.67
Funded amount	(2,650.12)	2,658.24	(2,470.38)	(2,291.77)	(2,130.19)
Experience Gain/ (loss) adjustments on plan liablities	(31.86)	(11.76)	(26.64)	86.69	(37.47)
Experience Gain/ (loss) adjustments on plan assets	3.29	(2.53)	(4.45)	(3.20)	(9.04)
Actuarial gain/ (loss) due to change in assumptions	(31.06)	44.13	42.17	2.86	(127.20)

(c) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

Particulars	March 31,2024		March 31,2023	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	67.39	(63.83)	69.65	(65.94)
Change in rate of salary increase (delta effect of +/- 0.5%)	(64.26)	67.22	(66.53)	69.63
Change in rate of plan assets (delta effect of +/- 0.5%)	(0.65)	0.61	(1.79)	1.70

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

NOTES TO FINANCIAL STATEMENTS

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

8 SEGMENT REPORTING:

As per Ind AS 108 on" Operating Segments ", segment information has been provided under the Notes to Consolidated Financial Statements.

9 RELATED PARTY TRANSACTIONS:

(a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	Luxquisite Parkland Private Limited	Wholly Owned Subsidiary
	SLPKG Estate Holdings Private Limited	
	SKG Terra Promenade Private Limited	
	KELBUZZ Trading Private Limited	
2	Kirsons B V	Step down subsidiary
	Lloyd Dynamowerke GmbH & Co. KG	
	Lloyd Beteiligungs GmbH	
3	Mr. Vijay R Kirloskar	Key Management Personnel ("KMP")
	Mr. Sanjeev Kumar S	
	Mr. Mahabaleshwar Bhat	
	Mr. Anand Hunnur	
4	Mrs. Meena Kirloskar	Relative of KMP ("KMPR")
5	Kirloskar (Malaysia) Sdn. Bhd	Associates
6	Transport Corporation of India	Enterprises which are related parties as per section 2(76) of the Companies Act, 2013. ("Others-A")
	Maini Material Movement Private Limited (upto June 02, 2023)	
	Bangalore Motors Private Limited (upto May 30, 2023)	
7	Kirloskar Batteries Private Limited	Enterprises over which key management personnel and/ or their relatives are able to exercise significant influence ("Others-B")
	Kirloskar Power Equipments Limited	
	Ravindu Motors Private Limited	
	Vijay Farms Private Limited	
	Kirsons Trading PTE LTD.	
	Sri Vijaydurga Investments and Agencies Private Limited	
	Vijayjyothi Investment and Agencies Private Limited	
	Abhiman Trading Company Private Limited	

(b) Transactions with the related parties

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Purchase of goods and services:			
Vijay Farms Private Limited	Others-B	47.35	36.81
Sri Vijayadurga Investments and Agencies Private Limited		210.39	153.64
Ravindu Motors Private Limited		78.70	-
Abhiman Trading Company Private Limited		89.66	76.54
Kirsons Trading PTE LTD.		4.33	1.57

NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Transport Corporation of India	Others-A	46.69	39.57
Sale of goods and services:			
Kirloskar (Malaysia) Sdn. Bhd	Associates	81.19	118.25
Kirsons Trading PTE LTD.	Others-B	200.68	272.12
Ravindu Motors Private Limited		-	21.46
Rent paid :			
Vijayjyothi Investments and Agencies Private Limited	Others-B	99.00	78.00
Remuneration paid:			
Vijay R Kirloskar*	KMP		
Short term employee benefits		407.50	319.67
Sanjeev Kumar S*			
Short term employee benefits		54.57	43.84
Mahabaleshwar Bhat*			
Short term employee benefits		30.73	20.04
Anand Hunnur*			
Short term employee benefits		146.05	80.92
Meena Kirloskar	KMPR		
Sitting Fee		5.00	1.50
Investment made :			
KELBUZZ Trading Private Limited	Wholly Owned Subsidiary	1.00	-
Luxquisite Parkland Private Limited		1.00	-
SKG Terra Promenade Private Limited		1.00	-
SLPKG Estate Holdings Private Limited		1.00	-
Expenses of subsidaries met by the Company and to be reimbursed :			
KELBUZZ Trading Private Limited	Wholly Owned Subsidiary	0.22	0.38
Luxquisite Parkland Private Limited		0.23	0.40
SKG Terra Promenade Private Limited		0.18	0.36
SLPKG Estate Holdings Private Limited		0.35	0.79

* Post employment benefit Amount not ascertained since accrued gratuity and compensated absence liability has been recognized for the Company as a whole.

Key managerial personnel are provided free use of company car and communication facilities. These are in addition to remuneration furnished above.

(c) Outstanding balances at the end of the year:

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Amount due to Company:	Wholly Owned Subsidiary		
KELBUZZ Trading Private Limited		5,525.11	5,716.21
Luxquisite Parkland Private Limited		236.16	235.93
SKG Terra Promenade Private Limited		2,195.34	2,202.67
SLPKG Estate Holdings Private Limited		3,197.23	3,229.47
KIRSONS BV	Step down subsidiary	31.58	31.58
Kirloskar (Malaysia) Sdn. Bhd	Associate	14.13	-

NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Kirloskar Power Equipments Limited	Others A & B	0.35	0.33
Vijay Farms Private Limited		102.21	107.54
Vijayjyothi Investments and Agencies Private Limited (Rental Deposit)		100.00	100.00
Maini Materials Movement Pvt Ltd.,		-	3.29
Kirsons Trading PTE LTD.		5.28	19.90
Amount due from Company:			
Lloyd Dynamowerke GmbH & Co. KG	Step down subsidiary	34.15	34.15
Kirloskar (Malaysia) Sdn. Bhd	Associate	-	11.20
Transport Corporation of India	Others-A	22.00	15.28
Kirloskar Batteries Private Limited	Others-B	14.81	14.81
Sri Vijayadurga Investments and Agencies Private Limited		30.48	24.36
Ravindu Motors Private Limited		15.02	-
Vijayjyothi Investments and Agencies Private Limited		109.29	163.11
Abhiman Trading Company Private Limited		31.86	27.18
Investment held :			
KELBUZZ Trading Private Limited	Wholly Owned Subsidiary	776.26	775.26
Luxquisite Parkland Private Limited ($)		1.00	-
SKG Terra Promenade Private Limited		2.00	1.00
SLPKG Estate Holdings Private Limited		88.65	87.65
Kirloskar Power Equipment Limited	Others -B	42.48	44.32
Guarantees given by the Subsidiary in respect of loan taken by the Company and outstanding at the end of the year:	Wholly Owned Subsidiary		
SKG Terra Promenade Private Limited		-	-
Guarantees given for the loans taken by the Company and outstanding at the end of the year by:			
Vijay R Kirloskar	KMP	3,767.79	7,014.17

KEC North America Inc has been dissolved. The investments in and dues from the said company have not been written off, pending receipt of approvals from Reserve Bank of India. However, full provision has been made for the same. Since the said company has been dissolved, the same has not been considered for related party disclosures.

($) Provision for investment of Rs. ₹ 6,064.00 Lakhs had been made during year ended March 31, 2021.

10 OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities, guesthouse and residential premises of employees that are renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 173.74 Lakhs (Previous Year ₹ 139.25 Lakhs).

11 The Company has made provisions towards wage arrears, warranty claims from the customers towards sales, short term compensated absences and contingencies. Details of the same are as under:

₹ in Lakhs

Sl. No.	Particluars		Provision for Contingencies	Wage Arrears	Short Term Compensated Absences	Warranty Claims
1	Balance outstanding as at:	1-Apr-23	1,613.57	1,411.27	195.04	419.65
		1-Apr-22	1,613.57	1,288.24	256.77	309.45
2	Provision for the year (net)	31-Mar-24	(215.26)	(331.32)	31.58	24.81
		31-Mar-23	-	123.03	61.73	110.20
3	Balance outstanding as at:	31-Mar-24	1,398.31	1,079.95	163.46	444.46
		31-Mar-23	1,613.57	1,411.27	195.04	419.65

NOTES TO FINANCIAL STATEMENTS

Foot Note:

Provision in respect of wage settlement has been made on estimated basis and differences if any will be accounted on final settlement. Further as a matter of abundant caution an estimated provision has been made for contingencies as held in respect of ongoing litigations as detailed in note 23 and certain probable liability including in respect of customers.

12 Financial risk management objectives and policies:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

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 risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2024 and March 31, 2023:

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023 including the effect of hedgeaccounting.

i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on Mar 31, 2024 are as under:

Particulars	As at March 31, 2024		As at March 31, 2023	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
Assets (Receivables)*	USD 344,336	437.45	USD 89,159	222.80
	EUR 167,344		EUR 167,344	
Liabilities (Payables)	USD 381,030	2,019.83	USD 363,391	2,384.34
	EUR 241,837		EUR 266,879	
	SGD 2,268,402		SGD 2,975,793	
	AED 362,450		AED 33,459	

* Excludes receivable of Euro 11.62 lakhs from Lloyd Dynamowerke GmbH & Co KG, as the same has been assigned to KELBUZZ Trading Private Limited, a wholly owned subsidiary

ii. Foreign currency sensitivity:

Every 1% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities for the years ended March 31, 2024 and March 31, 2023 would decrease the Company's loss and increase the Company's equity by approximately ₹1582.38 Lakhs and ₹ 2160.54 Lakhs respectively. A 1% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

13 Fair Value Measurement (Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

NOTES TO FINANCIAL STATEMENTS

The below table summarises particulars of Financial Instruments used:

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Financial assets at amortized cost:			
Investments	6	1,063.38	1,047.46
Trade receivables	7 & 11	6,757.66	3,392.55
Other financial assets	8	238.95	224.64
Cash & cash equivalents	12	1,636.49	1,265.98
Other bank balances	13	1,178.59	1,098.48
Total financial assets		**10,875.07**	**7,029.11**
Financial liabilities at amortized cost:			
Borrowings	20	11,774.79	12,472.26
Other financial liabilities	17	629.24	595.90
Trade payables	21 (1)&(2)	18,674.86	16,401.54
Total financial liabilities		**31,078.89**	**29,469.70**

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

Fair value of shares held by the Company in ICICI Bank Limited as at the three reporting dates have been computed based on its value traded in an active market and constitutes Level 1 in the fair value hierarchy as set out in Ind AS 113. Shares held by the Company in other entities which are unlisted and not traded in an active market have been valued based on their net asset value per share as per their latest available audited financial statements with the company. The increase / (decrease) is recognized in other comprehensive income as at March 31,2023 and March 31,2024 on this count is estimated at ₹12.55 Lakhs and ₹ 11.92 Lakhs respectively.

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

14 As reported in earlier years Lloyd Dynamowerke GmbH & Co. KG, Germany (LDW), a step down subsidiary of the Company, incurred substantial losses , thereby eroding its net worth and consequent to the actions of local directors of LDW, insolvency administrator was appointed by the court in Germany during the preceding year. The Company has been given to understand that a South Korean company acquired all significant assets, patents, estates, orders and employees of LDW. However, relevant details of the consideration for this transfer and all other relevant information are not available with the Company, in spite of its best efforts. The Company has already filed its claim for an approximate value of Euro 3.52 million in respect of outstanding towards supplies made to LDW including dues of Kirsons B V (immediate holding company of LDW). The Company has also appointed a local legal counsel to represent its interest and has filed certain claims. The legal proceedings are in progress in Germany. However the Company does not expect any material impact on the financial statements due to the same.

15 Wholly owned subsidiaries of the Company have accumulated losses during and part/ whole of their net worth have been eroded. However having regard to the estimated fair value of the assets which these Companies hold, the diminution in value has been considered as temporary and consequently no provision is required to be recognised in the financial statements.

16 As a measure of restructuring and with the consent of Leading Bank and other Lending banks under the Joint Lender Forum (JLF) mechanism, the Company had transferred in the year ended March 31, 2015 certain assets comprising of immovable properties, receivables and inventory to its subsidiaries - Kelbuzz Trading Private Limited, SKG Terra Promenade Private Limited and SLPKG Estate Holdings Private Limited, which will function as special purpose vehicles to hold such assets, dispose off the same and pay off certain debts (bank dues) transferred by the Company. The amounts outstanding and due from the subsidiaries as at March 31, 2024 in respect of the transfer of the assets as mentioned above, other expenses incurred by the subsidiaries reimbursed by the Company and interest charged totally amounts to ₹11,153.84 lakhs (₹11,384.28 lakhs as at March 31, 2023) after considering Ind AS adjustments. These subsidiaries are taking active steps to repay the dues of the Company from collection of debts (receivables) assigned and from disposal of immovable properties / inventories transferred apart from debts (bank dues) transferred / to be transferred as referred above. As on the date of results, the company was in advance stage of discussion for monetization of properties of its Subsidiaries. The Board of Directors are confident of recovering all the pending dues. However, based on expected credit losses as prescribed under Ind AS as against the incurred loss model envisaged under earlier GAAP, a sum of ₹8,400.77 lakhs has been provided upto March 31, 2024. (₹8,400.77 lakhs provided upto March 31, 2023).

NOTES TO FINANCIAL STATEMENTS

17 The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statement as at March 31, 2024 consisting of the Company, its subsidiaries and its associate is eroded. The company has repaid all term loans including Asset Restructuring Company Limited (ARCIL) which were restructured under JLF mechanism. Also the company is in advance stage of negotiation for monetization/disposal of assets which will improve the working capital and in turn improve the performance in the forthcoming periods. The company is confident that this funding will have a positive impact on the performance and net worth. Accordingly your directors have prepared these financial statement of the company on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.

18 The Company has filed before the Honorable Supreme Court, special leave petition in respect of resale tax and sales tax penalty of ₹ 527 lakhs (since merged with the Company) and confirmed by the Honorable High Court of Karnataka. The Company has paid an aggregate amount of ₹ 298.17 lakhs as at March 31, 2023 against the demand which has been included in disputed statutory dues as reported in Note 09 to Financial Statements.

19 During the year Company has closed its branch situated at Kuala Lumpur, Malaysia. Effective date of closure is September 30, 2023. Closure of Branch has no impact on the operations of the Company.

20 Company has discontinued the component machining activity at unit – 15 situated at Budihal, Bangalore Rural District with effect from January 22, 2024. Discontinuation has no impact on the operations of the Company. All workers have been relieved from duty and all their compensation dues have been paid.

21. Ratios:

Sl No	Ratios	March 31, 2024	March 31, 2023	Variance
1	**Current ratio**	**0.41**	**0.34**	**19.31**
	Current Assets	17,594	14,340	
	Current Liabilities	43,249	42,057	
2	**Debt-Equity ratio**	**1.12**	**1.10**	**1.92**
	Debt (Current and non current portion of long term borrowings + Short term borrowings)	11,775	12,472	
	Equity	10,541	11,380	
3	**Debt service coverage ratio - (a)**	**1.82**	**2.42**	**(24.66)**
	Earnings before interest, Depreciation and Tax (EBITDA)	4,471	5,223	
	Interest Expense on long term and short term borrowings for the period	2,452	2,135	
	Schedule principal repayment of long term borrowings during the period	-	23	
4	**Return on equity ratio - (b)**	**2.28**	**3.90**	**(41.38)**
	Net profits after taxes	1,517	2,588	
	Average Shareholder's equity	664	664	
5	**Inventory turnover ratio**	**7.89**	**6.49**	**21.48**
	Cost of goods sold	39,222	32,071	
	Average inventory	4,973	4,940	
6	**Trade receivables turnover ratio - (c)**	**10.98**	**17.96**	**(38.86)**
	Revenue from operations	55,735	47,355	
	Average accounts receivables	5,075	2,636	
7	**Trade payables turnover ratio**	**2.24**	**2.02**	**10.92**
	Total Credit Purchases	39,222	32,071	
	Average accounts payables	17,538	15,907	
8	**Net capital turnover ratio - (d)**	**(2.17)**	**(1.72)**	**26.42**
	Net sales = Total sales - sales return	55,735	47,355	
	Working capital = current assets – current liabilities	(25,655)	(27,717)	

Sl No	Ratios	March 31, 2024	March 31, 2023	Variance
9	**Net profit ratio - (e)**	**0.03**	**0.05**	**(50.19)**
	Net Profit	1,517	2,588	
	Net sales = Total sales - sales return	55,735	47,355	
10	**Return on capital employed - (f)**	**(3.12)**	**(4.26)**	**(26.90)**
	Earnings before interest and taxes	3,969	4,723	
	Capital employed = tangible net worth + total debt + deferred Tax	(1,273)	(1,107)	

a) **Debt service coverage ratio** decreased due to reversal of deferred tax asset on account of expiry of carry forrward long term capital losses.

b) **Return on equity ratio** decreased due to increase in cost of raw material impacting the profit margin.

c) **Trade receivable turnover ratio** decreased due to increased turnover in last quarter.

d) **Net capital turnover ratio** increased due to better utilisation of working capital.

e) **Net Profit ratio** decreased due to increase in cost of raw material impacting the profit margin.

f) **Return on Capital Employed ratio** is increased due to increase in inter corporate deposits.

22. Previous year's figures have been regrouped wherever required in conformity with current year presentation.

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

INDEPENDENT AUDITORS' REPORT

To the Members of

KIRLOSKAR ELECTRIC COMPANY LIMITED, BENGALURU

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **KIRLOSKAR ELECTRIC COMPANY LIMITED** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries collectively referred to as "the Group") and its associate , which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2024, and its Consolidated loss including other comprehensive income, its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention of the members is invited to note 35(3) to the Consolidated Ind AS financial statements regarding trade receivables/book debts exceeding two years and considered good by the management estimated at ₹2,219 lakhs. The relevant accounts are subject to adjustments, if required after management completes review, reconciliation and identification of doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

a. Going Concern Assessment – Effect of erosion in net worth of the group

Note 35(16) of the Consolidated Ind AS financial statements – The directors have detailed the reasons for preparing these Consolidated Ind AS financial statements on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. The Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

We have relied on the representations made by the Company and the appraisal of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. The appropriateness of the said basis of Going Concern is subject to the Company adhering to the restructuring plan and infusion of requisite funds. Hence, we are of the opinion that there is no existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Attention of the members is invited to note 35(17) of the Consolidated Ind AS financial statements which sets out that the Group has filed Special Leave Petition in respect of demand of resale tax penalty of ₹ 527 lakhs before the Honourable Supreme Court of India. Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is

required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.

Other Information

The Group's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. Our opinion on the Consolidated Ind AS 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 Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence regarding the shortfall in the recoverability of trade receivables/book debts exceeding two years and considered good by the management. Accordingly, we are unable to conclude whether or not the other information in relation to this is materially misstated with respect to this matter.

Responsibility of Management and Those Charged with Governance for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated changes in equity, consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of 4 subsidiaries included in the Consolidated financial statements, whose Consolidated financial statements reflect total assets of ₹201.86 lakhs as at March 31, 2024, total revenues of ₹5.49 lakhs and net cash flows of ₹(7.51) lakhs for the year ended on that date, as considered in the Consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the Consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our report is not modified in respect of this matter.

b. We did not audit the financial statement of 1 subsidiary included in the Consolidated financial statements, whose financial statements reflect total assets of ₹416.17 lakhs as at March 31, 2024, total revenues of ₹ Nil lakhs and net cash flows of ₹(1.30) lakhs for the year ended on that date, as considered in the Consolidated financial statements. This financial statement and other financial information has been prepared and provided to us by the management and our opinion on the Consolidated financial statements to the extent they have been derived from such financial statement is based solely on the report of the management. Our report is not modified in respect of this matter.

c. We did not audit the financial statement of Kirloskar (Malaysia) Sdn, Bhd., an associate of the Company whose share of loss of the Group was ₹ Nil (restricted to the value of the investments) was considered in the preparation of these Consolidated financial results. This financial statement and other financial information has been prepared and provided to us by the management and our opinion on the year to date Consolidated results to the extent they have been derived from such financial statement is based solely on the report of the management. Our report is not modified in respect of this matter.

d. We did not audit the financial statements/information of Kuala Lumpur Branch office of the Company, included in the financial statements of the Company for the quarter ended and year ended March 31, 2024 whose financial statements/information reflect total assets of ₹ 53.86 lakhs as at March 31, 2024 and total revenues of ₹ 0.10 lakhs for the year ended on that date. We did not audit the financial statement/information of Ajman Branch office of the Company, included in the financial statements of the Company for the quarter ended and year ended March 31, 2024 whose financial statements/information reflect total assets of ₹403.41 lakhs as at March 31, 2024 and total revenues of ₹1286.65 lakhs for the year ended on that date. The financial statements/information of the said branches have been audited by the Branch Auditors whose reports has been furnished to us. So, to the extent the amounts have been derived from such financial statements is based solely on the report of the Branch auditors. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid Consolidated Ind AS financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, and the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

   d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules as amended;

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A";**

   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:

      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.

   h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Holding Company and its subsidiary companies incorporated in India have disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer note 35(1a) to the Consolidated Ind AS financial statements.

      ii. The Holding Company and its subsidiary companies incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under applicable laws or accounting standards.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

      iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, 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 or any of such subsidiaries to or in another person or entity, including foreign entity ("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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (b) The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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.

(d) The Company has not declared or paid any Dividend during the year.

(e) The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Standalone Financials of the Company and by other auditors for its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, there are no qualifications or adverse remarks in these CARO reports to be reported.

For **K N Prabhashankar & Co.**,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 24222945BKFAMB1297

Place: Bengaluru
Date: May 23, 2024

Annexure 'A' to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Kirloskar Electric Company Limited ("the Company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries incorporated in India, 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.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matters

Our aforesaid reports under 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting as it related to 4 subsidiary companies, incorporated in India, are based on the corresponding reports of the auditor of such companies incorporated in India.

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 24222945BKFAMB1297

Place: Bengaluru
Date: May 23, 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ In lakhs

Particulars	Note No.	As at March 31,2024	As at March 31,2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	43,757.18	43,927.95
(b) Capital work-in-progress	4	82.94	52.56
(c) Investment Property	5	5.41	5.41
(d) Other Intangible assets	6	39.06	15.16
(e) Financial assets			
(i) Investments	7	190.18	178.26
(ii) Trade receivables	8	322.00	357.75
(iii) Other financial assets	9	238.95	224.64
(f) Other non-current assets	10	1,774.19	2,159.74
Total Non-current assets		**46,409.91**	**46,921.47**
Current assets			
(a) Inventories	11	4,823.47	5,213.66
(b) Financial assets			
(i) Trade receivables	12	8,619.87	5,430.14
(ii) Cash and cash equivalents	13(a)	1,674.80	1,294.83
(iii) Other Bank balances	13(b)	1,248.59	1,173.48
(c) Other current assets	14	1,237.67	1,211.85
Total Current assets		**17,604.40**	**14,323.96**
TOTAL ASSETS		**64,014.31**	**61,245.43**
I. EQUITY AND LIABILITIES			
Equity			
(a) Share capital	15	6,641.41	6,641.41
(b) Other equity	16	1,593.41	2,542.01
Equity attributable to shareholders		**8,234.82**	**9,183.42**
Non-controlling interest		-	4.00
TOTAL EQUITY		**8,234.82**	**9,187.42**
II. LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	629.24	595.90
(b) Provisions	18	2,813.58	2,756.11

₹ In lakhs

Particulars	Note No.	As at March 31,2024	As at March 31,2023
(c) Deferred tax liabilities (net)	19	7,754.93	5,449.47
Total non current liabilities		**11,197.75**	**8,801.48**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	12,647.79	13,345.26
(ii) Trade payables			
(1) dues to micro and small enterprises, and	21(1)	670.79	1,227.82
(2) dues to creditors other than micro and small enterprises	21(2)	18,005.69	15,177.30
(iii) Other financial liabilities	22	633.00	434.99
(b) Provisions	23	2,922.73	3,444.49
(c) Other current liabilities	24	9,701.53	9,626.32
(d) Current Tax Liabilities (Net)	25	0.21	0.35
Total current liabilities		**44,581.74**	**43,256.53**
TOTAL EQUITY AND LIABILITIES		**64,014.31**	**61,245.43**

Significant accounting policies and notes attached form an integral part of the financial statements **1-35**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No : A21919

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Particulars	Note No.	As at March 31,2024		As at March 31,2023	
I	Revenue from operations	26		55,735.08		47,354.79
II	Other income	27		798.85		2,225.34
III	**Total income (I + II)**			**56,533.93**		**49,580.13**
IV	**Expenses:**					
	Cost of materials consumed	28	38,804.09		32,367.12	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	29	417.43		(295.94)	
				39,221.52		32,071.18
	Employee benefit expenses	30		7,652.82		6,587.51
	Finance costs	31		2,565.27		2,248.36
	Depreciation and amortization expenses	32		501.64		500.12
	Other expenses	33		5,184.81		5,065.37
				55,126.06		46,472.54
	Less: expenses capitalised			-		-
	Total expenses			**55,126.06**		**46,472.54**
V	**Profit before exceptional items and tax (III-IV)**			1,407.87		3,107.59
VI	Exceptional Items			-		-
VII	**Profit before tax (V-VI)**			1,407.87		3,107.59
VIII	**Tax expense:**					
	Current tax		-		0.16	
	Deferred tax		-	-	-	0.16
IX	**Profit for the year (VII - VIII)**			**1,407.87**		**3,107.43**
X	**Other comprehensive income**					
	(i) Items that will not be reclassified to profit or loss :					
	a) Remeasurements of the defined benefit plans		(62.93)		32.37	
	b) Taxes on above		17.51		(9.01)	
	(ii) Items that will be reclassified to profit or loss:					
	a) Mark to Market of Investments		11.92		12.55	
	b) Revaluation gain on Land		-		(98.21)	
	c) Taxes on above		(2,322.97)	**(2,356.47)**	1,459.40	**(1,521.70)**
XI	**Total comprehensive income for the year (IX+X)**			**(948.60)**		**1,585.73**

₹ in Lakhs

	Particulars	Note No.	As at March 31,2024		As at March 31,2023	
XII	**Earning per equity share before exceptional item (for continuing operations & combined)**	34				
	Basic & diluted (in ₹)			2.12		4.68
	Earning per equity share after exceptional item (for continuing operations & combined)	34				
	Basic & diluted (in ₹)			2.12		4.68
	(Paid up value per share)			10.00		10.00
	Significant accounting policies and notes attached form an integral part of the financial statements	**1 - 35**				

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

₹ In lakhs

Particulars	As at March 31,2024		As at March 31,2023	
Cash flows from operating activities				
Profit before taxation		1,407.87		3,107.59
Adjustments for:				
Depreciation and amortisation	501.64		500.12	
Provisions (net)	(992.71)		(82.09)	
Profit on sale of fixed assets	(2.91)		(672.24)	
Interest income	(123.21)		(69.81)	
Dividends received	(0.51)		(0.30)	
Finance costs	2,565.27		2,248.36	
		1,947.57		1,924.04
		3,355.44		**5,031.63**
(Increase)/ decrease in trade and other receivables	(2,607.67)		(1,297.30)	
(Increase)/ decrease in inventories	390.18		(509.82)	
Increase/ (decrease) in trade payables and other current liabilities	2,379.91		(2,429.60)	
		162.42		(4,236.72)
		3,517.86		**794.91**
Income taxes paid		(140.15)		65.04
Net cash from operating activities		**3,658.01**		**729.87**
Cash flows from investing activities				
Purchase of property, plant and equipment	(250.15)		(385.73)	
Proceeds from sale of property, plant and equipment	3.96		683.16	
Proceeds from sale of investment property	-		9.90	
Redemption of Prefernce share capital	(4.00)		-	
Interest received	125.79		64.27	
Increase in margin money and short term deposits	(89.42)		(165.70)	
Dividend received	0.51		0.30	
Net cash from investing activities		**(213.31)**		**206.20**
Cash flows from financing activities				
ICD's accepted	3,275.00		-	
ICD's repaid	(718.69)		(64.10)	
Repayment of fixed deposits from public	(7.40)		(14.70)	
Increase/ (decrease) of short term borrowings (net)	(3,246.38)		(790.30)	
Finance costs	(2,367.26)		(2,460.54)	

₹ In lakhs

Particulars	As at March 31,2024	As at March 31,2023
Net cash from financing activities	**(3,064.73)**	**(3,329.64)**
Net increase/(decrease) in cash and cash equivalents	**379.97**	**(2,393.57)**
Cash and cash equivalents at beginning of the year	1,294.83	3,688.40
Cash and cash equivalents at end of the year	**1,674.80**	**1,294.83**

Cash & Cash equivalents:

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7, 'Statements of Cash Flow'. Cash and cash equivalents are net of bank overdraft as required under Ind AS -7. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Cash on hand and bank balances	2,923.39	2,468.31
Less: Other bank balances	1,248.59	1,173.48
Cash and cash equivalents as restated	**1,674.80**	**1,294.83**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

A. Umesh Patwardhan
Partner
Membership No:222945

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

Place: Bengaluru
Date: May 23, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(a) Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	6,641.40	6,641.40
Changes in equity share capital during the year	-	-
Balance at the end of the year	**6,641.40**	**6,641.40**

(b) Other Equity

₹ in Lakhs

Particulars	Capital redemption reserve	Capital reserve on consolidation	Capital reserve	Securities premium	Retained earnings	Reconstruction reserves	Total (A)	Other Comprehensive Income			Total (B)	Total Other equity (A+B)
								Items that will be reclassified to profit or loss		Items that will not be reclassified to profit or loss		
								Fair value of Investment	Revaluation of Land	Actuarial gains/ (losses) of employee benefits		
Total comprehensive income as at March 31 2022	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(42,720.06)**	**641.67**	**(35,223.87)**	**98.29**	**35,975.41**	**106.45**	**36,180.15**	**956.28**
Add/(Less): Profit/ (loss) for the Year	-	-	-	-	3,107.43	-	3,107.43	12.55	(98.21)	-	(85.66)	3,021.77
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	-	32.37	32.37	32.37
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	(2.66)	(1,456.74)	(9.01)	(1,468.41)	(1,468.41)
Total comprehensive income as at March 31 2023	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(39,612.63)**	**641.67**	**(32,116.44)**	**108.18**	**34,420.46**	**129.81**	**34,658.45**	**2,542.01**
Add/(Less): Profit/ (loss) for the Year	-	-	-	-	1,407.87	-	1,407.87	11.92	-	-	11.92	1,419.79
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	-	(62.93)	(62.93)	(62.93)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	(3.32)	(2,319.65)	17.51	(2,305.46)	(2,305.46)
Total comprehensive income as at March 31 2024	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(38,204.76)**	**641.67**	**(30,708.57)**	**116.78**	**32,100.81**	**84.39**	**32,301.98**	**1,593.41**

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No : A21919

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 BACKGROUND:

The Consolidated Financial Statements comprise financial statements of "Kirloskar Electric Company Limited ("the Holding Company") and its subsidiaries and associate (collectively referred as "the Group") for the year ended March 31, 2024 and the principal activities of the group is manufacture and sale of electric motors, alternators, generators, transformers, switchgear, DG sets etc.

2 SIGNIFICANT ACCOUNTING POLICIES :

a BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

b PRINCIPLES OF CONSOLIDATION :

i) The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditures after eliminating intra group balances and transactions to the extent identified and reconciled in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements .

ii) The stepdown subsidiary of the Company, namely Kirsons BV has been classified as an 'Integral Foreign Operation'. Revenue items denominated in foreign currency have been converted at the average rate prevailing during the year. Non monetary foreign currency assets and liabilities have been accounted at the rate of exchange prevailing on the transaction date. Monetary foreign currency assets and liabilities have been converted at the rates prevailing at the end of the year. Resultant differences have been adjusted in the statement of profit & loss.

iii) Lloyd Dynamowerke GmbH & Co. KG ("LDW") and Lloyd Beteiligungs GmbH were classified as 'Non Integral Foreign Operations'. Revenue items were consolidated at the average rate prevailing during the year and all assets and liabilities were converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation was recognised in the Foreign currency translation reserve.

iv) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries and associates are recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

v) Investments in associate companies have been accounted under the equity method as per Ind AS 28 - "Investments in Associates and Joint Ventures".

vi) Under the equity method of accounting, the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for post acquisition changes in the investor's share of net assets of the investee. The consolidated statement of profit and loss reflects the investor's share of the results of operations of the investee. Calculation of goodwill/ capital reserve as well as post acquisition changes has been made based on available information. Comprehensive information was not available.

c FUNCTIONAL AND PRESENTATION CURRENCY:

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information is presented in Indian Rupees (₹) rounded to the nearest Lakhs, except share and Earning per share data, unless otherwise stated.

d FAIR VALUE MEASUREMENT :

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date

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:

- 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 takes into account 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 market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

* 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 categorisation (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 on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e PROPERTY, PLANT AND EQUIPMENT ("PPE"):

(i) Tangible Assets:

Land has been recognized on the revaluation model envisaged in Ind AS 16. Revaluations are carried out at sufficient regularity. Other items of PPE are stated at the cost of acquisition less accumulated depreciation and write down for, impairment if any. Direct costs are capitalized until the assets are ready to be put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

(ii) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets comprise computer software held for use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

In both cases, the company has opted for the exemption provided in Ind AS 101 by treating the book value of PPE (other than land which was revalued on April 01,2016) and intangible assets as on the transition date (April 01,2016) as the deemed cost of the relevant assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iii) Depreciation & Amortization:

a. Depreciation on furniture and fixtures costing above ₹ 5,000/- provided at the residences of the employees has been charged at the rate of 33.33% on the straight-line method irrespective of the month of addition.

b. Depreciation on assets taken on finance lease is charged over the primary lease period.

c. Depreciation on PPE (other than Furniture and Fixtures provided to employees and assets taken on finance lease) bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Companies Act 2013 on a monthly basis, depending upon the month of the financial year in which the assets are installed/sold.

d. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

f INVESTMENT PROPERTIES:

a. Investment properties are properties held for a currently undetermined future use and are valued at cost.

b. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss in the period in which the property is derecognized.

g NON CURRENT ASSETS HELD FOR SALE:

Non Current Assets held for sale are stated at cost or estimated net realizable value, whichever is lower.

h INVENTORIES:

(I) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at works cost or net realizable value whichever is lower.

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

i REVENUE RECOGNITION:

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 01 April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 01 April, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on

the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

j EMPLOYEE BENEFITS:

(i) Short term employee benefits:

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognized on an undiscounted basis and charged to the statement of profit and loss.

(ii) Post employment benefits:

a. Defined contribution plans:

The Company has contributed to provident, pension and superannuation funds which are defined contribution plans. The contributions paid/ payable under the scheme are recognized during the year in which employee renders the related service.

b. Defined benefit plans:

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the other comprehensive income. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation. Gratuity to employees is covered under Group Gratuity Life Assurance Scheme of the Life Insurance Corporation of India.

c. Compensated Absences:

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

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

k FOREIGN CURRENCY TRANSACTIONS:

(i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.

(ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.

(iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

(iv) Branches are considered as integral foreign operations and have been translated at rates prevailing on the date of transaction/rate that approximates the actual rate as at that date. Branch monetary assets and liabilities outstanding as at year end are restated at the year end rates.

l TAXATION:

Income tax expense is the sum of current tax and deferred tax.

Current tax:

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss due to the effect of items of income or expense that are taxable or deductible in other years

and items that are not taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

m BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relatable to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

n LEASES:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease

term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

o PROVISIONS AND CONTINGENT LIABILITIES:

i) A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii) Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

iii) Provisions for warranty-related costs are recognized when the service provided to the customer. Initial recognition is based on historical experience and the present value of the future estimated obligation. The initial estimate of warranty-related costs is revised annually. The annual rewinding of interest is recognized in the Statement of Profit and Loss.

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

p FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

q IMPAIRMENT:

(i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Other Equity Investments:

All other equity instruments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

(iii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

r EARNINGS PER SHARE:

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 numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

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.

3 Property plant and equipment:

₹ In Lakhs

Tangible assets	Own Assets									Assets taken on Finance Lease	Total
Gross block	**Land**	**Building**	**Plant and equipment**	**Tools & Jigs**	**Electrical installations**	**Motor vehicles**	**Office equipments**	**Furniture and fittings**	**Leasehold improvements**	**Land**	
Balance as at March 31, 2022	**35,556.36**	**4,938.14**	**15,171.57**	**1,869.77**	**156.21**	**411.92**	**251.66**	**672.86**	**313.35**	**4,920.10**	**64,261.94**
Additions	-	72.40	159.16	26.71	-	-	110.00	9.10	-	-	377.37
Revaluation (Refer note 4 below)	98.21	-	-	-	-	-	-	-	-	-	98.21
Disposals	10.91	-	25.35	-	-	-	4.97	28.56	-	-	69.79
Balance as at March 31, 2023	**35,447.24**	**5,010.54**	**15,305.38**	**1,896.48**	**156.21**	**411.92**	**356.69**	**653.40**	**313.35**	**4,920.10**	**64,471.31**
Additions	-	30.00	85.61	55.01	-	87.60	47.89	7.60	-		313.71
Disposals	-	-	34.92	-	-	106.04	7.16	86.37	-	-	234.49
Balance as at March 31, 2024	**35,447.24**	**5,040.54**	**15,356.07**	**1,951.49**	**156.21**	**393.48**	**397.42**	**574.63**	**313.35**	**4,920.10**	**64,550.53**
Accumulated depreciation											
Balance as at March 31, 2022	**-**	**2,685.27**	**14,397.39**	**1,480.85**	**155.84**	**373.72**	**211.48**	**658.20**	**148.51**	**-**	**20,111.26**
Depreciation charge for the year	-	150.48	206.93	73.59	0.21	21.72	18.60	8.97	10.47	-	490.97
Disposals	-	-	25.35	-	-	-	4.96	28.56	-	-	58.87
Balance as at March 31, 2023	**-**	**2,835.75**	**14,578.97**	**1,554.44**	**156.05**	**395.44**	**225.12**	**638.61**	**158.98**	**-**	**20,543.36**
Depreciation charge for the year	-	154.34	199.36	62.07	0.09	14.30	36.63	6.17	10.47	-	483.43
Disposals	-	-	34.92	-	-	106.04	6.15	86.33	-	-	233.44
Balance as at March 31, 2024	**-**	**2,990.09**	**14,743.41**	**1,616.51**	**156.14**	**303.70**	**255.60**	**558.45**	**169.45**	**-**	**20,793.35**
Net block											
Balance as at March 31, 2022	35,556.36	2,252.87	774.18	388.92	0.37	38.20	40.18	14.66	164.84	4,920.10	44,150.68
Balance as at March 31, 2023	35,447.24	2,174.79	726.41	342.04	0.16	16.48	131.57	14.79	154.37	4,920.10	43,927.95
Balance as at March 31, 2024	**35,447.24**	**2,050.45**	**612.66**	**334.98**	**0.07**	**89.78**	**141.82**	**16.18**	**143.90**	**4,920.10**	**43,757.18**

Additional information:

1) Land taken on lease from KIADB at cost aggregating to ₹ 68.70 lakhs. On expiry of lease periods, payment of balance considerations if any, and execution of sale deeds, the relevant title will pass to the Company.

2) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

3) During the previous year ended March 31, 2022, the Company has sold part of revalued land situated at Hubbali and accordingly the revaluation gain of ₹3,277.32 lakhs recognised earlier has been reversed.

4) During the previous year ended March 31, 2023, the Company has sold revalued land situated at Gudimangalam and accrodingly revaluation gain of ₹98.21 lakhs recognised earlier has been reversed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
4 Capital work in progress:		
Plant and machinery	82.94	52.56
	82.94	**52.56**
5 Investment property:		
Land	5.41	5.41
	5.41	**5.41**

6 Other Intangible Assets ₹ In Lakhs

Gross block	Goodwill	Computer software	Techincal knowhow & product development	Total
Balance as at March 31, 2022	**423.46**	**618.85**	**1,088.51**	**2,130.82**
Additions	-	4.93	-	4.93
Balance as at March 31, 2023	**423.46**	**623.78**	**1,088.51**	**2,135.75**
Additions	-	42.11	-	42.11
Balance as at March 31, 2024	**423.46**	**665.89**	**1,088.51**	**2,177.86**
Accumulated amortisation:				
Balance as at March 31, 2022	**423.46**	**599.48**	**1,088.50**	**2,111.44**
Depreciation charge for the year	-	9.14	0.01	9.15
Balance as at March 31, 2023	**423.46**	**608.62**	**1,088.51**	**2,120.59**
Depreciation charge for the year	-	18.21	-	18.21
Balance as at March 31, 2024	**423.46**	**626.83**	**1,088.51**	**2,138.80**
Net block				
Balance as at March 31, 2022	-	19.37	0.01	19.38
Balance as at March 31, 2023	-	15.16	-	15.16
Balance as at March 31, 2024	**-**	**39.06**	**-**	**39.06**

7 Investments:

Details of investments Name of the Company	As at March 31, 2024			As at March 31, 2023		
	No. of shares	Face value	₹ In Lakhs	No. of shares	Face value	₹ In Lakhs
a) Investments in equity Instruments:						
i) Associates: (Trade)						
Fully paid up						
Kirloskar (Malaysia) Sdn. Bhd. Kuala Lumpur, Malaysia	3,00,000	MR1	-	3,00,000	MR1	-
ii) Others						
Fully paid up						
ICICI bank Limited (on merger of Sangli Bank Limited)	5,945	2	65.15	5,945	2	52.15
The Mysore Kirloskar Limited (refer additional information 3 below)	7,70,750	10	-	7,70,750	10	-
Kirloskar Proprietary Limited	26	100	37.33	26	100	35.47
Kirsons Trading Pte.Limited	56,250	S $1	45.02	56,250	S $1	46.12
Kirloskar Power Equipments Limited	3,40,000	10	42.48	3,40,000	10	44.32
Dr. Prabhakar Kore Credit Souhard Shakari Ltd	210	100	0.20	210	100	0.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b) Investments in debentures or bonds						
i) Others						
Fully paid up						
The Mysore Kirloskar Ltd (refer additional information 3 below)	30,000	44	-	30,000	44	-
Total			**190.18**			**178.26**

Additional Information:

1) Aggregate value of quoted investments:

Carrying Value	1.00	1.00
Market Value	65.15	52.15

2) Aggregate value of unquoted investments:

Carrying Value	125.03	126.11

3) Securities in The Mysore Kirloskar Limited have been written off.

4) Shares held in Kirloskar Proprietary Limited, Kirloskar Trading Pte Limited and Kirloskar Power Equipment Limited (all unlisted) have been mark to market based on the net asset value of an equity share as at March 31,2024 and March 31,2023 as per their latest audited financial statements as of those dates. The differential amounts as on the date of transition has been recognized in opening reserves and changes thereafter have been recognized as other comprehensive income.

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
8	**Trade receivables:**		
	(unsecured and considered good)		
	i) Long term trade receivables	322.00	357.75
		322.00	**357.75**
9	**Other financial assets:**		
	i) Bank deposits with more than twelve months maturity	238.95	224.64
		238.95	**224.64**
10	**Other non current assets:**		
	(unsecured and considered good, unless otherwise stated)		
	i) Capital advances	702.14	838.19
	ii) Security deposits	316.59	332.03
	iii) Rent deposit to related parties	100.00	100.00
	iv) Deferred Income - rental deposit	20.81	28.17
	v) Disputed statutory liabilities/ taxes paid	521.54	607.94
	vi) Income tax receivable (net)	113.11	253.41
		1,774.19	**2,159.74**
	Amounts due from a private company in which a director of the Company is a director included in (iii) above	100.00	100.00
11	**Inventories:**		
	i) Raw materials	1,210.33	1,184.39
	ii) Work in progress	3,375.21	3,029.98
	iii) Finished goods	282.18	1,050.32
	iv) Stores and spares	59.23	57.54
	v) Others (scrap stock)	16.75	14.21
	Goods in transit:		
	i) Raw materials	-	0.41
	ii) Finished goods	2.96	-
		4,946.66	**5,336.85**
	Less: Provision for non-moving stocks	123.19	123.19
		4,823.47	**5,213.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
12	**Trade receivables:**		
	i) Trade receivables exceeding six months	5,876.75	6,348.28
	ii) others	6,633.16	3,428.46
		12,509.91	**9,776.74**
	Less: allowance for credit loss	3,890.04	4,346.60
		8,619.87	**5,430.14**
	1) Amounts due by private companies in which directors of the Company are directors	-	3.48

Trade receivables ageing as at March 31, 2024:

Particulars	Undisputed trade receivables		Disputed trade receivables		Total
	Considered good	Considered-credit impaired	Considered good	Considered-credit impaired	
Less than 6 months	6,595.21	-	4.70	33.25	6,633.16
6 months to 1 year	255.33	-	0.19	34.00	289.52
1-2 year	92.39	-	0.99	37.49	130.87
2-3 year	19.14	26.13	-	9.14	54.41
More than 3 year	2,246.46	2,010.86	-	1,144.63	5,401.95
Total					**12,509.91**
Less: allowance for credit loss					3,890.04
Total					**8,619.87**

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
13	**a) Cash and cash equivalents:**		
	i) Balances with banks		
	- in other accounts	1,674.64	1,293.34
	ii) Cash on hand	0.16	1.49
		1,674.80	**1,294.83**
	b) Other bank balances:		
	i) Balances with banks		
	- in short term deposits	440.17	379.31
	- in margin money, security for borrowings, guarantees and other commitments	808.42	794.17
		1,248.59	**1,173.48**
	Total (a + b)	**2,923.39**	**2,468.31**
14	**Other Current assets:**		
	(unsecured and considered good, unless otherwise stated)		
	i) Loans and advances to related parties (refer note 35(5))	102.56	107.87
	ii) Advance paid to suppliers and others	1,240.99	1,218.79
		1,343.55	**1,326.66**
	Less: Allowance for doubtful advances for advance paid to suppliers and others	105.88	114.81
		1,237.67	**1,211.85**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Number	₹ in Lakhs	Number	₹ in Lakhs
15	**Share capital:**				
	Authorized: (*)				
	Preference Shares of ₹ 100/- each	3,000,000	3,000.00	3,000,000	3,000.00
	Equity shares of ₹ 10/- each	85,000,000	8,500.00	85,000,000	8,500.00
			11,500.00		**11,500.00**
	Issued, subscribed and fully paid up:				
	Equity shares of ₹ 10/- each				
	At the beginning of the year	66,414,071	6,641.41	66,414,071	6,641.41
	Issued during the year	-	-	-	-
	At the close of the year	**66,414,071**	**6,641.41**	**66,414,071**	**6,641.41**
	Total carried to Balance Sheet	**66,414,071.00**	**6,641.41**	**66,414,071.00**	**6,641.41**

Foot notes

1 Preference shares:

a. The Company had issued cumulative preference shares of ₹ 100/- each. The preference shareholders did not have voting rights.

b. 1,176,746 Preference shares (value ₹ 1,176.75 lakhs) were allotted pursuant to a contract without consideration being received in cash. These preference shareholders were allotted to preference share holders of Kaytee Switchgear Limited as fully paid up pursuant to the Scheme of arrangement approved by the Honorable High Court of Karnataka under sec 391 -394 of the Companies Act, 1956 without payment being received in cash.

c. During the financial year 2014-15 Company issued and allotted 1,595,890 (Fifteen lakh ninety five thousand eight hundred and ninety) Compulsory Convertible Preference Shares ("CCPS") of ₹ 100/-(Rupees one hundred), to Mr. Vijay Ravindra Kirloskar (Promoter) by way of private placement for a tenor not exceeding 18 months which will carry a preferential cumulative dividend of 0.1% (zero point one per cent) per annum, payable till the date of conversion into equity shares. 777,485 Preference shares were converted into 2,554,156 equity shares of face value of Rs.₹ 10/- each issued at premium of ₹ 20.44 (Rupees twenty and forty four paise) as per the first tranche on February 11, 2016 and 818,405 Preference shares were converted into 2,688,583 equity shares of face value of Rs. ₹ 10/- each issued at a premium of ₹ 20.44 (Rupees twenty and forty four paise) as per the second tranche on September 26, 2016.

2 Equity shares:

a. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

b. Equity Shares of ₹ 10/- each includes:

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Number	₹ in Lakhs	Number	₹ in Lakhs
(i)	Equity shares include Shares allotted pursuant to a contract without consideration being received in cash. These shares were issued to shareholders of Kaytee Switchgear Limited and Kirloskar Power Equipment Limited as fully paid, pursuant to Scheme of arrangement approved by the Honorable High Court of Karnataka under sections 391 - 394 of the Companies Act, 1956.	17,252,550	1,725.26	17,252,550	1,725.26
(ii)	Shares allotted during the year 2007-08 to the promoters group in terms of order dated September 29, 2007 of the Honorable High Court of Karnataka read with scheme of arrangement dated February 13, 2003 under sections 391 to 394 of The Companies Act, 1956.	2,000,000	200.00	2,000,000	200.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at March 31, 2024		As at March 31, 2023	
		Number	₹ in Lakhs	Number	₹ in Lakhs
(iii)	Shares allotted during the year 2003 - 04 to IDBI on conversion of Preference Share Capital at face value as per the scheme of arrangement approved by Honorable High Court of Karnataka.	6,000,000	600.00	6,000,000	600.00
(iv)	Shares allotted during the year 2014-15 to Vijay R Kirloskar at a premium of ₹ 20.44 per share	2,658,200	265.82	2,658,200	265.82
(v)	Shares allotted during the year 2015-16 to Vijay R Kirloskar at a premium of ₹ 20.44 per share by conversion of CCPS.	2,554,156	255.42	2,554,156	255.42
(vi)	Shares allotted during the year 2016-17 to Vijay R Kirloskar at a premium of ₹ 20.44 per share by conversion of CCPS.	2,688,583	268.86	2,688,583	268.86

c. Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Particulars		As at March 31, 2024		As at March 31, 2023	
		Number	Percentage	Number	Percentage
(i)	Abhiman Trading Company Private Limited	5,217,063	7.86%	5,217,063	7.86%
(ii)	Vijayjyothi Investment & Agencies Private Limited	4,271,217	6.43%	4,271,217	6.43%
(iii)	Vijay Ravindra Kirloskar	11,890,618	17.90%	11,890,618	17.90%
(iv)	Vijay Farms Private Limited	3,540,807	5.33%	3,540,807	5.33%

d. Shareholding of promotors

Sl No.	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of Shares	% of total shares	
1	Vijay Ravindra Kirloskar	11,890,618	17.90	-
2	Meena Kirloskar	184,514	0.28	-
3	Abhiman Trading Company Limited	5,217,063	7.86	-
4	Vijayjyothi Investments and Agencies Private Limited	4,271,217	6.43	-
5	Vijay Farms Private Limited	3,540,807	5.33	-
6	Vijaykirti Investments and Agencies Private Limited	3,064,094	4.61	-
7	Sri Vijayadurga Investments and Agencies Private Limited	1,774,506	2.67	-
8	Vimraj Enterprises Private Limited	1,606,483	2.42	-
9	Kirloskar Power Equipments Limited	1,146,315	1.72	-
10	Kirloskar Batteries Private Limited	186,500	0.28	-

16 Other Equity

₹ in Lakhs

Particulars	Capital redemption reserve	Capital reserve on consolidation	Capital reserve	Securities premium	Retained earnings	Reconstruction reserves	Total (A)	Other Comprehensive Income			Total(B)	Total Other equity
								Items that will be reclassified to profit or loss		Items that will not be reclassified to profit or loss		
								Fair value of Investment	Revaluation of Land	Actuarial gains/ (losses) of employee benefits		
Total comprehensive income as at March 31 2022	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(42,720.06)**	**641.67**	**(35,223.87)**	**98.29**	**35,975.41**	**106.45**	**36,180.15**	**956.28**
Add/(Less): Profit/ (loss) for the Year	-	-	-	-	3,107.43	-	3,107.43	12.55	(98.21)	-	(85.66)	3,021.77
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	-	32.37	32.37	32.37
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	(2.66)	(1,456.74)	(9.01)	(1,468.41)	(1,468.41)
Total comprehensive income as at March 31, 2023	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(39,612.63)**	**641.67**	**(32,116.44)**	**108.18**	**34,420.46**	**129.81**	**34,658.45**	**2,542.01**
Add/(Less): Profit/ (loss) for the Year	-	-	-	-	1,407.87	-	1,407.87	11.92	-	-	11.92	1,419.79
Add/(Less): Ind AS adjustments	-	-	-	-	-	-	-	-	-	(62.93)	(62.93)	(62.93)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	(3.32)	(2,319.65)	17.51	(2,305.46)	(2,305.46)
Total comprehensive income as at March 31, 2024	**2,401.75**	**23.87**	**18.06**	**4,410.84**	**(38,204.76)**	**641.67**	**(30,708.57)**	**116.78**	**32,100.81**	**84.39**	**32,301.98**	**1,593.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
Non- Current Liabilities			
17	**Other Financial Liabilities:**		
	Security deposits from suppliers and dealers	606.85	595.90
	Vehicle Loan	22.39	-
		629.24	**595.90**
18	**Provisions:**		
	Provisions for employee defined benefit plans	2,813.58	2,756.11
		2,813.58	**2,756.11**
19	**Deferred tax Liabilities (Net):**		
	i) Deferred tax liability:		
a)	On account of depreciation on fixed assets (other than land)	540.95	630.09
b)	On account of revaluation of land	7,754.93	5,449.47
	Total	**8,295.88**	**6,079.56**
	ii) Deferred tax asset:		
a)	On account of timing differences in recognition of expenditure (restricted to Deferred tax liability)	540.95	630.09
	Total	**540.95**	**630.09**
	Net deferred tax liability/(asset)	**7,754.93**	**5,449.47**
Current Liabilities			
20	**Borrowings:**		
	1) Secured loans:		
	a) Loans repayable on demand		
	- from banks	3,767.79	3,766.14
	- Other than banks	-	3,248.03
		3,767.79	**7,014.17**
	2) Unsecured loans:		
	Other than banks:		
	a) Inter corporate deposits	8,870.00	6,313.69
	b) Current maturities of fixed deposits	10.00	17.40
		8,880.00	**6,331.09**
	Total	**12,647.79**	**13,345.26**
1)	**Details of security for secured loans:**		
a)	Working capital loan (cash credit) from Lenders as specified in Master Restructuring Agreement ("MRA") are secured against a first pari passu charge by way of hypothecation of all book debts, receivables, stocks, inventories, operating cash flows, commissions, revenues of whatsoever nature and whatever arising (present & future) including Trust and Retention Account, a first pari passu charge by way of mortgage on all of the Company's immovable properties as set out in Schedule VI of MRA, a first pari passu charge by way of pledge of 24,886,143 fully paid equity shares of the Company held by the promoters as specified in MRA. These loans carry an interest rate of 16.5% (base rate of Bank of India plus 80 basis points) per annum and also guaranteed by the Executive Chairman of the Company.	3,767.79	3,766.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
b) Loan from a bank is secured against the equitable mortgage of certain immovable property of the Company, equitable mortagage of immovable properties of SKG Terra Promenade Private Limited (SKG), lien on fixed deposits amounting to ₹ 175 lakhs and guaranteed by the Executive chairman of the Company. Further corporate guarantee is given by the said SKG in respect of those specified properties and the loan carries an interest of 13.85% per annum.	-	-
c) Loan from other than bank is secured against the mortgage of immovable property of KPEL and personel property of the promotor of the Company. Loan carries an interest rate of 14% per annum.	-	3,248.03

2) Details of security for unsecured loans:

a) Inter corporate deposits are taken for periods ranging between 90 to 360 days with interest rates averaging upto 13.30% per annum.

b) Fixed deposits include ₹ 10.00 lakhs as at March 31, 2024 (as at March 31, 2023 ₹ 17.40 lakhs) matured unclaimed deposits.

21 Trade payables:

1) Dues to micro, small and Medium enterprises	670.79	1227.82
	670.79	**1,227.82**
2) Dues to creditors other than micro, small and Medium enterprises		
i) Other trade payables	13,502.46	10,452.67
ii) Acceptances	4,503.23	4,724.63
	18,005.69	**15,177.30**

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

₹ In Lakhs

Sl No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Principal amount due and remaining unpaid	670.79	1,227.82
2	Interest due on (1) above and the unpaid interest	79.51	75.66
3	Interest paid on all delayed payments under the MSMED Act	Nil	Nil
4	Interest due and payable for the period of delay other than (3) above	Nil	Nil
5	Interest accrued and remaining unpaid	88.04	79.51
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	88.04	79.51

Trade Payables ageing as at March 31, 2024: ₹ In Lakhs

Sl.No.	Particulars	Dues to micro and small enterprises	Other trade payables
1	Not due	139.62	7,591.47
2	Less than 1 year	323.28	1,171.67
3	1-2 years	50.40	365.46
4	2-3 years	23.14	1,199.07
5	More than 3 years	134.35	3,174.79
	Total	**670.79**	**13,502.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
22	**Other financial liabilities:**		
	a) Interest accrued	633.00	434.99
		633.00	**434.99**
23	**Provisions:**		
	a) Provision for wage arrears	1,079.96	1,411.27
	b) Provision for warranty	444.46	419.65
	c) Provision for contingencies	1,398.31	1,613.57
		2,922.73	**3,444.49**
24	**Other current liabilities:**		
	a) Statutory liabilities	618.78	393.67
	b) Other liabilities *	6,502.38	6,672.72
	c) Trade advances	2,580.37	2,559.93
		9,701.53	**9,626.32**
	* Other liabilities include ₹ 5.48 Lakhs (March 31, 2023: ₹14.05 Lakhs) payable towards Voluntary Retirement Scheme (VRS)		
25	**Current tax liabilities (Net):**		
	a) Provision for tax (net of advance tax outside India)	0.21	0.35
		0.21	**0.35**
26	**Revenue from operations:**		
	i) Sale of products		
	Motors, alternators and generators	28,228.77	24,232.31
	Transformers	23,058.94	18,838.42
	DG sets	833.76	832.02
	Others	2,993.66	3,153.18
	Total	**55,115.13**	**47,055.93**
	ii) Sale of services	619.95	298.86
	Total revenue	**55,735.08**	**47,354.79**
27	**Other income:**		
	i) Interest income on Bank Deposits and Others	123.21	69.81
	ii) Interest and guarantee commission income from financial assets	132.42	80.19
	iii) Dividend income from long term investments	0.51	0.30
	iv) Profit on sale of fixed assets (net)	2.91	672.24
	v) Provision no longer required and Unclaimed credit balance written back	486.23	1,364.90
	vi) Miscellaneous income	53.57	37.90
		798.85	**2,225.34**
28	**Cost of materials consumed:**		
a)	Consumption of raw materials, components, stores and spare parts	38,804.09	32,367.12
		38,804.09	**32,367.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
b)	Consumption of major raw materials		
	Additional Information:		
i)	Copper (Wires, strips, rods, sheets, etc)	11,597.12	10,227.80
ii)	Iron and steel (pigiron, rounds, plates, sheets , etc.,)	7,522.19	6,460.54
iii)	Stores and spares	59.23	57.54
iv)	Others	19,625.55	15,621.24
29	**Changes in inventories of finished goods, work in progress and stock in trade:**		
	Stocks at the end of the year:		
i)	Work in progress		
	Motors, alternators and generators	2,348.36	2,290.46
	Transformers	791.10	458.67
	DG Sets	201.86	214.25
	Others	33.89	66.60
	Total	**3,375.21**	**3,029.98**
ii)	Finished goods		
	Motors, alternators and generators	259.28	308.89
	Transformers	20.92	739.45
	Others	4.94	1.98
	Total	**285.14**	**1,050.32**
iii)	Scrap	16.75	14.21
	A	**3,677.10**	**4,094.51**
	Less: Stocks at the beginning of the year:		
i)	Work in progress		
	Motors, alternators and generators	2,290.46	1,855.82
	Transformers	458.67	1,471.56
	DG sets	212.69	225.73
	Others	68.17	33.39
	Total	**3,029.99**	**3,586.50**
ii)	Finished goods		
	Motors, alternators and generators	308.89	146.95
	Transformers	739.46	54.81
	DG sets	-	-
	Others	1.98	1.98
	Total	**1,050.33**	**203.74**
iii)	Scrap	14.21	8.33
	B	**4,094.53**	**3,798.57**
	Total (B-A)	**417.43**	**(295.94)**
30	**Employee benefit expenses:**		
i)	Salaries , wages and bonus	6,211.11	5,344.04
ii)	Contribution to provident and other funds	758.49	733.82
iii)	Staff welfare expenses	683.22	509.65
		7,652.82	**6,587.51**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
31	**Finance costs:**		
i)	Interest expenses	2,167.78	1,894.05
ii)	Other borrowing costs	397.49	354.31
		2,465.27	**2,248.36**
32	**Depreciation and amortization expenses**		
i)	Depreciation of tangible assets	483.43	500.12
ii)	Amortization of intangible assets	18.21	-
		501.64	**500.12**

33 Other expenses:

	Particulars	As at March 31, 2024		As at March 31, 2023	
i)	Power and fuel		847.58		727.70
ii)	Rent		154.50		123.14
iii)	Repairs to buildings		78.59		41.67
iv)	Repairs to machinery		144.37		143.00
v)	Repairs to others		453.27		317.55
vi)	Vehicle maintenance		31.21		39.72
vii)	Insurance		32.96		39.41
viii)	Rates and taxes		323.21		303.24
ix)	Payment to auditors				
	- as auditor (includes branch audit fees of ₹0.83, previous year ₹0.96)	28.85		18.52	
	- for taxation matters (includes ₹0.12, previous year ₹0.13 to branch auditor)	5.12		5.13	
	- for limited review	22.50		22.50	
			56.47		46.15
x)	Selling expenses		547.01		583.32
xi)	Commission		37.64		67.98
xii)	Warranty claims		82.40		161.49
xiii)	Allowance for credit loss		(61.47)		228.61
xiv)	Net (gain)/loss on foreign currency transaction and translation		7.87		204.52
xv)	Bad trade receivables written off	395.09		302.84	
	Less: Allowance for doubtful trade receivable withdrawn	395.09		302.84	
			-		-
xvi)	Irrecoverable loans and advances written off	0.69		310.19	
	Less: Allowance for doubtful loans and advances withdrawn	-	0.69	310.19	-
xvii)	Legal and professional charges		726.92		523.57
xviii)	Travelling and conveyance		431.11		328.03
xix)	Printing and stationary		20.99		16.34
xx)	Postage, telegrams and telephones		44.10		42.98
xxi)	Directors sitting fees		38.00		13.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
xxii) Provision for contingencies	(215.26)	-
xxiii) Security charges	341.06	312.97
xxiv) Contract labour charges	984.74	752.61
xxv) Miscellaneous expenses	76.85	48.17
	5,184.81	**5,065.37**

34 Earnings per share:

(Basic and diluted)

(a) Before exceptional item		
Profit for the year after tax expense	1,407.87	3,107.43
Weighted average number of equity shares	66,414,071	66,414,071
Paid up value per share	10.00	10.00
Earning per share (basic & diluted)	**2.12**	**4.68**
(b) After exceptional item		
Profit for the year after tax expense	1,407.87	3,107.43
Weighted average number of equity shares	66,414,071	66,414,071
Paid up value per share	10.00	10.00
Earning per share (basic & diluted)	**2.12**	**4.68**

35 Other notes to accounts:

1 Contingent liabilities and commitments:

(to the extent not provided for)

a) Contingent liabilities:

₹ In Lakhs

Particulars		As at March 31,2024	As at March 31,2023
i)	Claims against the Company not acknowledged as debts	288.71	488.44
ii)	Guarantees	964.27	820.21
iii)	Bills discounted with Bank	2,312.64	715.23
iv)	Sales tax demanded under appeal. The Company has paid an aggregate amount of ₹118.03 lakhs as at March 31, 2024 against the demand which has been included in disputed statutory dues.	507.91	507.91
v)	The Company has filed before the Honorable Supreme Court, special leave petition in respect of resale tax and sales tax penalty of ₹ 527 lakhs (since merged with the Company) and confirmed by the Honorable High Court of Karnataka. The Company has paid an aggregate amount of ₹ 298.17 lakhs as at March 31, 2024 against the demand which has been included in disputed statutory dues as reported in Note 10 to Financial Statements.	527.07	527.07
vi)	GST Demand for the transitional input tax credit, the Company is in process of filing for rectification or to be contest in Tribunal/ High Court.	1,417.12	-
vii)	Disputed Income tax demand	3,196.18	3,174.13
viii)	Certain industrial disputes are pending before various judicial authorities – not acknowledged by the Company. Liability has been considered against those cases for which is ascertainable, some cases are pending for it is not possible to ascertain liability.	unascertained	unascertained

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	Particulars	As at March 31,2024	As at March 31,2023
ix)	The Company had furnished a guarantee for the redemption of preference shares issued by Kirloskar Investment and Finance Ltd to an extent of ₹ 200 lakhs as at March 31, 2024 (as at March 31, 2023 ₹200 lakhs) and had obtained counter guarantee from the said Company. The preference shareholder has claimed a sum of ₹ 200 lakhs along with dividends in arrears of ₹205.60 lakhs and interest from the Company. This claim has been upheld by the Debt Recovery Tribunal (DRT). The Company has preferred an appeal before the Debt Recovery Appellate Tribunal (DRAT) to set aside the orders passed by the DRT. The Company has deposited during the earlier year ₹ 102.80 lakhs with DRAT as directed by the Supreme Court of India and the matter stands re-posted for hearing. The Company does not acknowledge this liability.	405.60	405.60

In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgements pending at various forums / settlement of matter. The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable. However as a matter of abundant caution the Company has recognized a provision for contingencies, to take care of any liabilities that may devolve, and included in Note 35(11).

b) Commitments

Particulars	As at March 31,2024	As at March 31,2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	85.76	121.15

2 Additional Information:

a)	**Value of Imports calculated on CIF basis:**		
	Raw materials, components and spare parts	7.26	15.48
b)	**Expenditure in foreign currency: (net of withholding tax)**		
	i) Professional, consultancy and other fees	-	0.22
	ii) Travel	89.04	70.04
	iii) Other expenses	9.90	10.43

c)

Sl No.	Particulars	Amount	% to total	Amount	% to total
i)	Value of imported raw materials, spare parts and components consumed	22.16	0.06%	15.48	0.05%
ii)	Value of indigenous raw materials, spare parts and components consumed	38,781.93	99.94%	32,351.64	99.95%
	Total	**38,804.09**	**100.00%**	**32,367.12**	**100.00%**

d)	**Details of non-resident shareholdings**		
	i) Number of non resident share holders	807	642
	ii) Number of shares held by non resident shareholders	779,390	752,832
e)	**Earnings in foreign exchange:**		
	(i) Export of goods calculated on FOB basis (net)	1,339.72	1,348.82
	(ii) Remittances from overseas offices (net)	1,046.53	796.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 Confirmation of balances from customers, suppliers and service providers with whom the Company had transactions are awaited in certain cases. Accounts with certain parties are under review and reconciliation. Adjustments will be made on completion of review/reconciliation. In the assessment of the management, effect on revenue if any, is not expected to be material.

4 Certain mistakes noticed in the inventory records have been corrected to the extent identified based on physical inventory taken from time to time. No material discrepancies were noticed.

5 Current assets, loans and advances include ₹ 102.56 Lakhs (as at March 31, 2023 ₹ 107.87 Lakhs) being rescheduled advances from certain companies in which certain key managerial personnel are interested. The Company is confident that these companies will fulfill their obligations and has considered these amounts as good of recovery.

6 During a previous year, the shareholders of the Company at the Annual General Meeting held on September 30, 2013 have approved an Employee Stock Option Scheme. However, the Company has not issued any options as at March 31, 2024 and accordingly, recognition of expense in this respect and requisite disclosures are not applicable.

7 DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

(a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under:

₹ in Lakhs

Particulars	March 31,2024	March 31,2023
Employer's contribution to provident & pension funds	318.69	324.14
Employer's contribution to superannuation fund	107.05	101.51

(b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust and leave encashment is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

Reconciliation of opening and closing balances of defined benefit obligation:	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Leave (Funded)	Gratuity (Funded)	Leave (Funded)
Defined benefit obligation at beginning of the year	2,609.66	484.39	2,541.32	525.77
Current service cost (*)	102.75	37.60	100.73	36.15
Interest cost	191.91	36.18	181.51	37.59
Actuarial (gain)/ loss	62.92	35.36	(32.37)	(31.59)
Benefits paid from funds	(258.21)	-	(181.53)	-
Benefits paid directly by employer	-	(118.54)	-	(83.53)
Defined Benefit obligation at end of the year	2,709.03	474.99	2,609.66	484.39
Reconciliation of opening and closing balance of fair value of plan assets:				
Fair value of plan assets at beginning of the year	48.59	289.34	70.93	269.50
Interest income	0.61	21.61	4.88	19.27
Employer contribution	264.63	-	156.84	-
Benefits paid from funds	(258.21)	-	(181.53)	-
Actuarial gain/(loss)	3.29	0.57	(2.53)	0.57
Fair value of plan assets at year end	**58.91**	**311.52**	**48.59**	**289.34**
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	58.91	311.52	48.59	289.34
Present value of obligation	2,709.03	474.99	2,609.66	484.39
Amount recognized in Balance Sheet under liabilities:	**2,650.12**	**163.47**	**2,561.07**	**195.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of opening and closing balances of defined benefit obligation:	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Leave (Funded)	Gratuity (Funded)	Leave (Funded)
Expense recognized during the year: (under "note 30" "Employee benefit expenses" in the Statement of Profit and Loss)	**Current year**		**Previous year**	
In Income Statement:				
Current service cost	102.75	37.60	100.73	36.15
Interest cost	191.91	36.18	181.51	37.59
Actual return on plan assets	(0.61)	(21.61)	(4.88)	(19.27)
In Other Comprehensive Income:				
Actuarial (gain)/ loss	59.63	34.79	(29.84)	(32.16)
Net cost	**353.68**	**86.96**	**247.52**	**22.31**
Actuarial assumptions:	**As at March 31, 2024**		**As at March 31, 2023**	
Mortality table	**Indian Assured**	**Indian Assured**	**Indian Assured**	**Indian Assured**
Discount rate (per annum)	7.23%	7.23%	7.47%	7.47%
Expected rate of return on plan assets (per annum)	7.23%	7.23%	7.47%	7.47%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%

(*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Present value of DBO, Fair Value of Plan Assets, Deficit/(Surplus), Experience Adjustments for current and earlier periods of Gratuity (Funded):					
	2023-24	**2022-23**	**2021-22**	**2020-21**	**2019-20**
Defined benefit obligation at the end of the period	(2,709.03)	(2,609.65)	(2,541.31)	(2,407.85)	(2,334.86)
Plan assets at end of the period	58.91	48.59	70.93	116.08	204.67
Funded amount	(2,650.12)	(2,561.06)	(2,470.38)	(2,291.77)	(2,130.19)
Experience Gain/ (loss) adjustments on plan liablities	(31.86)	(11.76)	(26.64)	86.69	(37.47)
Experience Gain/ (loss) adjustments on plan assets	3.29	(2.53)	(4.45)	(3.20)	(9.04)
Actuarial gain/ (loss) due to change in assumptions	(31.06)	44.13	42.17	2.86	(127.20)

(c) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period , while holding all other assumptions constant.

₹ In Lakhs

Particulars	March 31,2024		March 31,2023	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	67.39	(63.83)	69.65	(65.94)
Change in rate of salary increase (delta effect of +/- 0.5%)	(64.26)	67.22	(66.53)	69.63
Change in rate of plan assets (delta effect of +/- 0.5%)	(0.65)	0.61	(1.79)	1.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

8 SEGMENT REPORTING:

The Company has identified the reportable segments as Power generation and distribution, Rotating machine group and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

₹ In Lakhs

Sl No.	Particulars	Primary Segment			
		Power generation and distribution	**Rotating machines group**	**Others**	**Total**
1	Segment Revenues				
	External Revenues	**24,064.15**	**28,232.06**	**3,438.87**	**55,735.08**
		19,729.37	24,232.92	3,392.50	47,354.79
	Intersegment revenues	**265.71**	**1,087.24**	**12.44**	**1,365.39**
		194.36	247.53	30.32	472.21
	Total Revenues	**24,329.86**	**29,319.30**	**3,451.31**	**57,100.47**
		19,923.73	24,480.45	3,422.82	47,827.00
2	Segment Results:				
	Profit/ (loss) before depreciation, interest and taxation	**3,060.96**	**2,705.86**	**1,501.67**	**7,268.50**
		1,977.86	3,482.43	1,548.11	7,008.40
	Less: Interest				**2,565.27**
					2,248.36
	Less: Depreciation and amortizations				**501.64**
					500.12
3	Unallocable Expenditure				**3,592.57**
					3,377.67
4	Unallocable and Other Income (including Extraordinary items)				**798.85**
					2,225.34
5	Less: Tax expense				**0.00**
					0.16
	Total Profit				**1,407.87**
					3,107.43
6	Segment Assets	**9,897.78**	**38,254.63**	**9,184.87**	**57,337.28**
		7,923.00	37,499.00	8,804.00	54,226.00
7	Unallocable Assets				**6,677.03**
					7,019.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Sl No.	Particulars	Primary Segment			
		Power generation and distribution	**Rotating machines group**	**Others**	**Total**
8	Segment Liabilities	**11,539.32** 9,180.00	**14,591.01** 10,635.00	**811.23** 1,435.00	**26,941.56** 21,250.00
9	Unallocable Liabilities				**28,837.93** 30,808.00
10	Capital Expenditure	**(1,641.55)** (1,257.00)	**23,663.62** 26,864.00	**8,373.64** 7,367.00	**30,395.71** 32,974.00
11	Unallocated capital expenditure				**(22,160.89)** (23,787.00)

9 RELATED PARTY TRANSACTIONS:

(a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	Mr. Vijay R Kirloskar	Key Management Personnel ("KMP")
	Mr. Sanjeev Kumar S	
	Mr. Mahabaleshwar Bhat	
	Mr. Anand Hunnur	
2	Mrs. Meena Kirloskar	Relative of KMP ("KMPR")
3	Kirloskar (Malaysia) Sdn. Bhd	Associates
4	Transport Corporation of India	Enterprises which are related parties as per section 2(76) of the Companies Act, 2013. ("Others-A")
	Maini Material Movement Private Limited (upto June 02, 2023)	
	Bangalore Motors Private Limited (upto May 30, 2023)	
5	Kirloskar Batteries Private Limited	Enterprises over which key management personnel and/ or their relatives are able to exercise significant influence ("Others-B")
	Kirloskar Power Equipments Limited	
	Ravindu Motors Private Limited	
	Vijay Farms Private Limited	
	Kirsons Trading PTE LTD.	
	Sri Vijaydurga Investments and Agencies Private Limited	
	Vijayjyothi Investment and Agencies Private Limited	
	Abhiman Trading Company Private Limited	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(b) Transactions with the related parties

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Purchase of goods and services:			
Vijay Farms Private Limited	Others-B	47.35	36.81
Sri Vijayadurga Investments and Agencies Private Limited		210.39	153.64
Ravindu Motors Private Limited		78.70	-
Abhiman Trading Company Private Limited		89.66	76.54
Kirsons Trading PTE LTD.		4.33	1.57
Transport Corporation of India	Others-A	46.69	39.57
Sale of goods and services:			
Kirloskar (Malaysia) Sdn. Bhd	Associates	81.19	118.25
Kirsons Trading PTE LTD.	Others-B	200.68	272.12
Ravindu Motors Private Limited		-	21.46
Rent paid			
Vijayjyothi Investments and Agencies Private Limited	Others-B	99.00	78.00
Remuneration paid:			
Vijay R Kirloskar*			
Short term employee benefits		407.50	319.67
Sanjeev Kumar S*			
Short term employee benefits		54.57	43.84
Mahabaleshwar Bhat*	KMP		
Short term employee benefits		30.73	20.04
Anand Hunnur*			
Short term employee benefits		146.05	80.92
Meena Kirloskar	KMPR		
Sitting Fee		5.00	1.50

Post employment benefit Amount not ascertained since accrued gratuity and compensated absence liability has been recognized for the Company as a whole.

Key managerial personnel are provided free use of company car and communication facilities. These are in addition to remuneration furnished above.

(c) Outstanding balances at the end of the year:

₹ in Lakhs

Particulars	Relationship	March 31, 2024	March 31, 2023
Amount due to Company:			
Kirloskar (Malaysia) Sdn. Bhd	Associate	14.13	-
Kirloskar Power Equipments Limited		0.35	0.33
Vijay Farms Private Limited		102.21	107.54
Vijayjyothi Investments and Agencies Private Limited (Rental Deposit)	Others A & B	100.00	100.00
Maini Materials Movement Pvt Ltd.,		-	3.29
Kirsons Trading PTE LTD.		5.28	19.90
Amount due from Company:			
Kirloskar (Malaysia) Sdn. Bhd	Associate	-	11.20
Transport Corporation of India	Others-A	22.00	15.28
Kirloskar Batteries Private Limited		14.81	14.81
Ravindu Motors Private Limited		15.02	-
Sri Vijayadurga Investments and Agencies Private Limited	Others-B	30.48	24.36
Vijayjyothi Investments and Agencies Private Limited		109.29	163.11
Abhiman Trading Company Private Limited		31.86	27.18
Guarantees given for the loans taken by the Company and outstanding at the end of the year by:			
Vijay R Kirloskar	KMP	3,767.79	7,014.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

KEC North America Inc has been dissolved. The investments in and dues from the said company have not been written off, pending receipt of approvals from Reserve Bank of India. However, full provision has been made for the same. Since the said company has been dissolved, the same has not been considered for related party disclosures.

Provision for investment of Rs. ₹ 6,064.00 Lakhs had been made during year ended March 31, 2021.

10 OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities, guesthouse and residential premises of employees that are renewable on a periodic basis, and cancellable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 173.74 Lakhs (Previous Year ₹ 139.25 Lakhs).

11 The Company has made provisions towards wage arrears, warranty claims from the customers towards sales, short term compensated absences and contingencies. Details of the same are as under:

₹ in Lakhs

Sl. No.	Particluars		Provision for Contingencies	Wage Arrears	Short Term Compensated Absences	Warranty Claims
1	Balance outstanding as at:	01-Apr-23	1,613.57	1,411.27	195.04	419.65
		01-Apr-22	1,613.57	1,288.24	256.77	309.45
2	Provision for the year (net)	31-Mar-24	(215.26)	(331.31)	31.58	24.81
		31-Mar-23	-	123.03	61.73	110.20
3	Balance outstanding as at:	31-Mar-24	1,398.31	1,079.96	163.46	444.46
		31-Mar-23	1,613.57	1,411.27	195.04	419.65

Foot Note:

Provision in respect of wage settlement has been made on estimated basis and differences if any will be accounted on final settlement. Further as a matter of abundant caution an estimated provision has been made for contingencies as held in respect of ongoing litigations as detailed in note 23 and certain probable liability including in respect of customers.

12 Financial risk management objectives and policies:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

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 risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31,2024 and March 31, 2023

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023 including the effect of hedge accounting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2023 are as under:

Particulars	As at March 31, 2024		As at March 31, 2023	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
Assets (Receivables)	USD 344,336	401.48	USD 89,159	187.05
	EUR 127,344		EUR 127,344	
Liabilities (Payables)	USD 381,030	2,019.83	USD 363,391	2,384.34
	EUR 241,837		EUR 266,879	
	SGD 2,268,402		SGD 2,975,793	
	AED 362,450		AED 33,459	

Foreign currency sensitivity:

Every 1% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities for the years ended March 31, 2024 and March 31, 2023 would decrease the Company's loss and increase the Company's equity by approximately ₹1,618.35 Lakhs and ₹2,197.29 Lakhs respectively. A 1% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

13 Fair Value Measurement (Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

Particulars	Note	March 31, 2024	March 31, 2023
Financial Assets at amortized cost:			
Investments	7	190.18	178.26
Trade receivables	8 & 12	8,941.87	5,787.89
Other financial assets	9	238.95	224.64
Cash & cash equivalents	13 (a)	1,674.80	1,294.83
Other bank balances	13 (b)	1,248.59	1,173.48
Total financial assets		**12,294.39**	**8,659.10**
Financial liabilities at amortized cost:			
Borrowings	20	12,647.79	13,345.26
Other financial liabilities	17	629.24	595.90
Trade payables	21 (1) & (2)	18,676.48	16,405.12
Total financial liabilities		**31,953.51**	**30,346.28**

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

Fair value of shares held by the Company in ICICI Bank Limited as at the three reporting dates have been computed based on its value traded in an active market and constitutes Level 1 in the fair value hierarchy as set out in Ind AS 113. Shares held by the Company in other entities which are unlisted and not traded in an active market have been valued based on their net asset value per share as per their latest available audited financial statements with the company. The increase/(decrease) is recognized in other comprehensive income as at March 31,2023 and March 31,2024 on this count is estimated at ₹ 12.55 Lakhs and ₹ 11.92 Lakhs respectively.

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 As reported in earlier years Lloyd Dynamowerke GmbH & Co. KG, Germany (LDW), a step down subsidiary of the Company, incurred substantial losses , thereby eroding its net worth and consequent to the actions of local directors of LDW, insolvency administrator was appointed by the court in Germany during the preceding year. The Company has been given to understand that a South Korean company acquired all significant assets, patents, estates, orders and employees of LDW. However, relevant details of the consideration for this transfer and all other relevant information are not available with the Company, in spite of its best efforts. The Company has already filed its claim for an approximate value of Euro 3.52 million in respect of outstanding towards supplies made to LDW including dues of Kirsons B V (immediate holding company of LDW). The Company has also appointed a local legal counsel to represent its interest and has filed certain claims. The legal proceedings are in progress in Germany. However the Company does not expect any material impact on the financial statements due to the same.

15 Wholly owned subsidiaries of the Company have accumulated losses and part/ whole of their net worth have been eroded. However having regard to the estimated fair value of the assets which these Companies hold, the diminution in value has been considered as temporary and consequently no provision is required to be recognised in the financial statements.

16 The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statement as at March 31, 2024 consisting of the Company, its subsidiaries and its associate is eroded. The company has repaid all term loans including Asset Restructuring Company Limited (ARCIL) which were restructured under JLF mechanism. Also ,the company is in advance stage of negotiation for monetization/disposal of assets which will improve the working capital and in turn improve the performance in the forthcoming periods. The company is confident that this funding will have a positive impact on the performance and net worth. Accordingly your directors have prepared these financial statement of the company on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.

17 The Company has filed before the Honorable Supreme Court, special leave petition in respect of resale tax and sales tax penalty of ₹ 527 lakhs (since merged with the Company) and confirmed by the Honorable High Court of Karnataka. The Company has paid an aggregate amount of ₹ 298.17 lakhs as at March 31, 2024 against the demand which has been included in disputed statutory dues as reported in Note 10 to Financial Statements.

18 During the year Company has closed its branch situated at Kuala Lumpur, Malaysia. Effective date of closure is September 30, 2023. Closure of Branch has no impact on the operations of the Company.

19 Company has discontinued the component machining activity at unit – 15 situated at Budihal, Bangalore Rural District with effect from January 22, 2024. Discontinuation has no impact on the operations of the Company. All workers have been relieved from duty and all their compensation dues have been paid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20 Ratios:

Sl No	Ratios	March 31,2024	March 31,2023	Variance
1	**Current ratio**	**0.39**	**0.33**	**19.25**
	Current Assets	17,604	14,324	
	Current Liabilities	44,582	43,257	
2	**Debt-Equity ratio**	**1.54**	**1.45**	**5.74**
	Debt (Current and non current portion of long term borrowings + Short term borrowings)	12,648	13,345	
	Equity	8,235	9,187	
3	**Debt service coverage ratio - (a)**	**1.74**	**2.60**	**(33.03)**
	Earnings before interest, Depreciation and Tax (EBITDA)	4,475	5,856	
	Interest Expense on long term and short term borrowings for the period	2,565	2,248	
4	**Return on equity ratio - (b)**	**2.12**	**4.68**	**(54.69)**
	Net profits after taxes	1,408	3,107	
	Average Shareholder's equity	664	664	
5	**Inventory turnover ratio**	**7.82**	**6.46**	**20.93**
	Cost of goods sold	39,222	32,071	
	Average inventory	5,019	4,962	
6	**Trade receivables turnover ratio**	**7.57**	**9.41**	**(19.56)**
	Revenue from operations	55,735	47,355	
	Average accounts receivables	7,365	5,034	
7	**Trade payables turnover ratio**	**2.24**	**2.02**	**10.92**
	Total Credit Purchases	39,222	32,071	
	Average accounts payables	17,541	15,909	
8	**Net capital turnover ratio - (c)**	**(2.07)**	**(1.64)**	**26.23**
	Net sales = Total sales - sales return	55,735	47,355	
	Working capital = current assets – current liabilities	(26,977)	(28,933)	
9	**Net profit ratio - (d)**	**0.03**	**0.07**	**(61.51)**
	Net Profit	1,408	3,107	
	Net sales = Total sales - sales return	55,735	47,355	
10	**Return on capital employed - (e)**	**(0.89)**	**(1.28)**	**(30.47)**
	Earnings before interest and taxes	3,973	5,356	
	Capital employed = tangible net worth + total debt + deferred tax	(4,452)	(4,173)	

a) **Debt service coverage ratio** decreased due to reversal of deferred tax asset on account of expiry of carry forrward long term capital losses.

b) **Return on equity ratio** decreased due to increase in cost of raw material impacting the profit margin.

c) **Net capital turnover ratio** increased due to better utilisation of working capital.

d) **Net Profit ratio** decreased due to increase in cost of raw material impacting the profit margin.

e) **Return on capital employed** is increased due to increase in inter corporate deposits.

21 Previous year's figures have been regrouped wherever required in conformity with current year presentation.

22 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary or associates:

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
Parent				
Kirloskar Electric Company Limited	(2.05)	16,877.71	(1.08)	1,517.14
Subsidiaries				
Indian				
1 Kelbuzz Trading Private Limited	0.39	(3,216.68)	0.03	(40.22)
2 SLPKG Estates Holdings Private Limited	0.47	(3,895.23)	0.05	(68.36)
3 Luxquisite Parkland Private Limited	0.03	(233.93)	0.00	(0.25)
4 SKG Terra Promenade Private Limited	0.20	(1,629.30)	0.00	(0.19)
Foreign				
Kirsons B.V.	(0.04)	332.25	0.00	(0.27)
Minority Interest in all subsidiaries		-		-
Associates (Investments as per the equity method)				
Kirloskar (Malaysia) Sdn. Bhd.	0.00%	-	0.00%	-

To be read with our report of even date
For K N Prabhashankar & Co.
Chartered Accountants
Firm Regn. No: 004982S

A. Umesh Patwardhan
Partner
Membership No:222945

Place: Bengaluru
Date: May 23, 2024

For and on behalf of the Board of Directors of
Kirloskar Electric Company Limited

Vijay Ravindra Kirloskar
Executive Chairman
DIN:00031253

Sanjeev Kumar S
Director Finance &
Chief Financial Officer
DIN:08673340

Mahabaleshwar Bhat
General Manager &
Company Secretary
Membership No :- A21919

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. Kelbuzz Trading Private Limited

Report on the IND AS Financial Statements:

Opinion:

We have audited the accompanying standalone IND AS financial statements of M/s. Kelbuzz Trading Private Limited ("the Company"), which comprises of the Balance Sheet as at 31 March, 2024 and the Statement of Profit and loss, the Cash Flow Statement, the statement for Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information annexed thereto.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2024, and its loss and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit or the Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

Key Audit Matters:

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key audit matter
Carrying value of the Trade receivables transferred from Holding company outstanding for a period of more than two years.	Our audit procedures included but were not limited to the following: 1. Evaluating the reasonableness of the assumptions considered by the management in estimation of the realization value of the receivables. 2. Review of the disclosure made by the company in the financial statements in this regard.

Information other than the standalone financial statements and the auditors report thereon:

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Business responsibility report, Corporate Governance and Shareholders Information, but does not include the standalone IND AS financial statements and our Auditors report thereon.

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

In connection with our audit of the standalone IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone IND AS financial statements, our responsibility is to read the other information and in doing so, whether, the other information is materially inconsistent with the standalone IND AS 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 no material mis-statement of this other information, we required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements, 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 Ind AS financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

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

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

Auditor's Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 is in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone IND AS financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone IND AS 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 omission, mis-representation, or the override or internal control.

2. Obtain an understanding of internal financial controls 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2020, ("The Order") issued by the Government of India, in terms of sub section (11) of section 143 of the Act. And on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in the paragraphs 3 & 4 of the said order.

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

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts;

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act as on 31st March 2024; and

   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 2"; and

   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 do not offer any comment on the remuneration paid by the company to its Directors as during the aforementioned period, no remuneration has been paid by the company to its Directors;

   h) with respect to the other matters to be included in the auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have pending litigations, which would impact its Ind AS financial statements.

      ii. The company did not have any long term contracts and has not entered into any derivative contacts. Accordingly no provision is required to be recognized in the respect of material foreseeable losses under applicable laws or accounting standards.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds(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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have 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 (i) and (ii) above, contain any material misstatement.

v. The company had not proposed any divided during the previous year, no interim dividend was proposed or declared during the year and the Board of Directors have not proposed any dividend for the year which is required to be approved in the Annual General Meeting. In the light of these circumstances, we have not offered any comment upon the compliance under Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 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 softwares. Further, during the course of our audit we did not not come across any instance of the audit trail feature being tampered with.

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 **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
Firm Reg No: 006449S
UDIN:24203081BKCZDQ5066

Annexure -1 to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report to the members of **Kelbuzz Trading Private Limited, Bangalore.**

1. The company does not have any fixed assets during the period covered under audit, hence the clause 3(i) of the Order is not applicable.

2. a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

   d) In accordance to the explanation and information given to us, during the period covered under audit, as there are no outstanding to bank / financial institutions, there is no requirement to file any quarterly statements or returns to any lenders. Hence no comments are being offered on the same.

3. The company has not granted any loans during the year to the Companies, firms or other parties listed in the registered maintained under section 189 of the Act, the clause 3(iii) of the Order is not applicable.

4. In accordance to the information provided and explanations given to us, the company has not granted loan, made investment, provided any guarantee or security hence comments required under clause 3(iv) has not been made here.

5. The company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act, and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the said order are not applicable.

6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act for the products of the company. Accordingly, provisions of clause 3(vi) of the said order are not applicable.

7. a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues applicable to it with the appropriate authorities. In terms of its books of accounts, no undisputed statutory dues payable in respect of provident fund, employees state insurance, income tax, wealth tax, GST, service tax, customs duty, excise duty, value added tax, cess, and any other undisputed statutory dues were outstanding, as at March 31, 2024 for a period of more than six months from the date they became payable.

   b) According to the records of the company and according to the information and explanations given to us, there were no dues outstanding on account of income tax, wealth tax, GST, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

8. According to the records of the company and according to the information and explanations provided to us, there are no transactions that are not recorded in the books of accounts to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. (i) According to the records of the company and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the bank.

   (ii) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

   (iii) According to the records of the company and according to the information and explanations provided to us, the company has applied the proceeds of the term loans obtained by it for the purpose for which it was obtained.

   (iv) According to the records of the company and according to the information and explanations provided to us, the funds raised on a short term basis have not been utilized for long term purposes.

   (v) According to the records of the company and according to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

   (vi) According to the records of the company and according to the information and explanations provided to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. (i) According to the records of the company and according to the information and explanations provided to us, the company has not made any Initial Public Offer during the year.

    (ii) During the year, the company has made allotment of shares and according to the records of the company and according to the information and explanations provided to us the requirements of the section 42 and section 62 of the Companies Act have been complied with and the funds so raised have been utilized for the purposes for which it has been raised.

11. (i) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no material frauds on or by the company has been noticed or reported.

    (ii) According to the records of the company and according to the information and explanations provided to us, report under sub-Section (12) of Section 143 of the Companies Act has not 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.

    (iii) According to the records of the company and according to the information and explanations provided to us, the company has not any whistle-blower complaints during the year.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14. (i) The company has an internal audit system commensurate with the size and nature of its business.

    (ii) The reports of the Internal Auditors for the period under audit has been considered.

15. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, clause 3(xvi)(a) of the said order is not applicable.

17. The company has incurred cash loss of Rs. 18,624/- (Rupees eighteen thousand six hundred twenty four only) as cash losses during the financial year, previous year Rs. Nil/- (Rupees Nil only) during the immediately preceding Financial Year covered in this audit.

18. There has not been any resignation by the statutory auditors of the company during the year.

19. On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.

20. The provisions of the section 135 of the Companies Act, 2013 is not applicable to the company, hence clause 3(xx)(a) and (b) of the said order is not applicable to the company.

21. According to the information and explanations give to us and based on our examination of the records of the Company, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDQ5066

Annexure –2 to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kelbuzz Trading Private Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDQ5066

BALANCE SHEET AS AT MARCH 31, 2024

Amount in ₹

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non - current assets			
	(a) Other non current assets	3	222,176,812	245,308,558
	Total Non Current Assets		**222,176,812**	**245,308,558**
	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	4	98,469	98,630
	(b) Other Current assets	5	4,568,460	4,568,460
	Total current assets		**4,666,929**	**4,667,090**
	TOTAL ASSETS		**226,843,741**	**249,975,648**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Share capital	6	70,200,000	70,200,000
	(b) Other Equity	7	(395,889,842)	(391,868,063)
	Total Equity		**(325,689,842)**	**(321,668,063)**
	Liabilities			
	Current Liabilities			
	(a) Other Current Liabilities	8	552,533,583	571,643,711
	Total Current Liabilities		**552,533,583**	**571,643,711**
	TOTAL EQUITY AND LIABILITIES		**226,843,741**	**249,975,648**
	Significant accounting policies and notes attached form an integral part of the financial statements	1,2,11 to 14		

In Accordance with our report attached

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

For **Ganesh Kamath Associates**
Chartered Accountants

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

	Particulars	Note No.	Current Year	Previous Year
I.	**Other income**		-	-
			-	-
II.	**Expenses**			
	Other expenses	9	4,021,779	38,501
	Total expenses		**4,021,779**	**38,501**
III.	**Profit / (loss) before tax (I - II)**		**(4,021,779)**	**(38,501)**
IV.	**Tax expense:**			
	Current tax		-	-
V.	**Profit / (loss) for the year (III - IV)**		**(4,021,779)**	**(38,501)**
VI.	**Earning per equity share:**	10		
	Basic & diluted		(0.57)	(0.01)
		1,2,11 to 14		

In Accordance with our report attached

For **Ganesh Kamath Associates**
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

Particulars	Current Year		Previous Year	
Cash flows from operating activities				
Loss before taxation		(4,021,779)		(38,501)
		(4,021,779)		**(38,501)**
(Increase)/ decrease in other non current assets	23,131,746		525,300	
(Increase)/ decrease in current assets	-		8,730	
Increase/ (decrease) in other current liabilities	(19,110,128)		(796,178)	
		4,021,618		(262,148)
Net cash from operating activities		**(161)**		**(300,649)**
Net cash from financing activities		-		-
Net increase/(decrease) in cash and cash equivalents		**(161)**		**(300,649)**
Cash and cash equivalents at beginning of the year		98,630		399,279
Cash and cash equivalents at end of the year		**98,469**		**98,630**

In Accordance with our report attached

For **Ganesh Kamath Associates**
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CHANGES IN EQUITY AS AT MARCH 31, 2024

(a) Equity Share Capital

Amount in ₹

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	**70,200,000**	**70,200,000**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**70,200,000**	**70,200,000**

(b) Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(391,829,562)**	**(391,829,562)**
Add: Loss for the year	(38,501)	(38,501)
Total comprehensive income as at March 31, 2023	**(391,868,063)**	**(391,868,063)**
Add: Loss for the year	(4,021,779)	(4,021,779)
Total comprehensive income as at March 31, 2024	**(395,889,842)**	**(395,889,842)**

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND:

Kelbuzz Trading Private Limited ("the Company") was incorporated on December 5, 2014 and is a subsidiary of Kirloskar Electric Company Limited. The Company has been formed as Special Purpose Vehicle ("SPV") as per the restructuring terms.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2.3 ASSETS HELD FOR SALE:

Assets held for sale are stated at the cost or estimated net realizable value whichever is lower.

2.4 TAXES ON INCOME:

Provision for current tax for the year is after taking cognizance of excess / short provision in prior years. Deferred tax assets/liability is recognized, subject to consideration of prudence, on timing differences.

2.5 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to profit and loss account, in the year in which an asset is identified as impaired.

2.6 PROVISIONS AND CONTINGENT LIABILITIES:

a. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b. Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

2.7 FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) **Cash and Cash Equivalents:**

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

(ii) **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN : 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

Prakash Purushotham
Director
DIN:07199035

Vikas Kumar Gandhi
Director
DIN:07104367

NOTES TO FINANCIAL STATEMENTS

Amount in ₹

Particulars		As at March 31, 2024	As at March 31, 2023
3.	**Other non current assets**		
(i)	Other receivables	368,137,556	387,269,302
	Less: Provision doubtful receivables	(149,000,000)	(145,000,000)
		219,137,556	**242,269,302**
(ii)	Advance Income Tax	3,039,256	3,039,256
	Total	**222,176,812**	**245,308,558**
4.	**Cash and cash equivalents:**		
	Balances with banks		
	- in other accounts	98,469	98,630
	Total	**98,469**	**98,630**
5.	**Other Current Asset**		
	Assets held for sale	4,568,460	4,568,460
	Total	**4,568,460**	**4,568,460**

6. Share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹	Number	₹
Authorized:				
Equity shares of ₹ 10/- each	7,090,000	70,900,000	7,090,000	70,900,000
Preference shares of ₹ 10/- each	10,000	100,000	10,000	100,000
		71,000,000		**71,000,000**
Issued, subscribed and fully paid up:				
Preference shares of ₹ 10 /- each				
At the beginning of the reporting period	10,000	100,000	10,000	100,000
Issued during the reporting period	-	-	-	-
Redeemed during the reporting period	10,000	100,000	-	-
At the close of the reporting period	-	-	**10,000**	**100,000**
Equity shares of ₹ 10/- each				
At the beginning of the period	7,010,000	70,100,000	7,010,000	70,100,000
Issued during the reporting period	10,000	100,000	-	-
At the close of the period	**7,020,000**	**70,200,000**	**7,010,000**	**70,100,000**
Total		**70,200,000**		**70,200,000**

NOTES TO FINANCIAL STATEMENTS

Other Information:

1. Preference Shares:

a. The Company has issued non cumulative preference shares of ₹ 10/- each. The preference shareholders do not have voting rights.

b. Preference shares carry a dividend of 0.1%.

c. The Company has redeemed 10,000 Preference shares at Rs 10 per share during the year

d.

Particulars of preference share holders holding more than 5% of the total number of preference share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Best Trading & Agencies Limited	-	-	10,000	100%

2. Equity shares:

a. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

b.

Equity Shares of Rs.10/- each includes:	As at March 31, 2024		As at March 31, 2023	
	Number	₹	Number	₹
Shares allotted pursuant to a contract without consideration being received in cash. These shares were issued to Kirloskar Electric Company Limited as fully paid.	7,010,000	70,100,000	7,010,000	70,100,000

c.

Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Kirloskar Electric Company Limited (holding Company)	7,019,999	100%	7,009,999	100%

7. Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(391,829,562)**	**(391,829,562)**
Add: Loss for the year	(38,501)	(38,501)
Total comprehensive income as at March 31, 2023	**(391,868,063)**	**(391,868,063)**
Add: Loss for the year	(4,021,779)	(4,021,779)
Total comprehensive income as at March 31, 2024	**(395,889,842)**	**(395,889,842)**

8. Other current liabilities:

Particulars		As at March 31, 2024	As at March 31, 2023
i)	Amount due to holding company	552,511,083	571,621,211
ii)	Other liabilities	22,500	22,500
		552,533,583	**571,643,711**

NOTES TO FINANCIAL STATEMENTS

Amount in ₹

Particulars		Current Year	Previous Year
9.	**Other expenses:**		
i)	Rates and taxes	3,500	12,092
ii)	Payment to auditors - as auditor	15,000	15,000
iii)	Professional charges	-	10,760
iv)	Provision for doubtful trade receivables	4,000,000	-
v)	Bank charges	162	649
vi)	Insurance expenses	3,117	-
		4,021,779	**38,501**
10.	**Earnings per share:**		
	(Basic and diluted)		
	Profit /(loss) for the year after tax expense	(4,021,779)	(38,501)
	Weighted average number of equity shares	7,010,000	7,010,000
	Loss per share	(0.57)	(0.01)

11. SEGMENT REPORTING:

The Company is a SPV engaged in the realisation of fixed and current assets transferred from its holding company. Since the Company's business activity primarily falls within single business segment, no further disclosures required other than those given in the financial statements.

12. RELATED PARTY TRANSACTIONS:

(a) List of related parties:

Sl. No.	Name of the Related Party	Relationship
1	Kirloskar Electric Company Limited	Holding Company
2	Prakash Purushotham	Director
3	Vikas Kumar Gandhi	
4	Ashok Misra	

NOTES TO FINANCIAL STATEMENTS

(b) Transactions with related parties:

Amount in ₹

Particulars	Relationship	Current Year	Previous Year
Reimbrusement of expenses: Kirloskar Electric Company Limited	Holding Company	21,617	38,422
Investment in Equity Shares: Kirloskar Electric Company Limited	Holding Company	100,000	-

(c) Outstanding balances at the end of the year:

Amount in ₹

Particulars	Relationship	As at March 31, 2024	As at March 31, 2023
Amount due from Company: Kirloskar Electric Company Limited	Holding Company	552,511,083	571,621,211

13 a. In respect of aggregate trade receivables transferred from the holding company and outstanding as at March 31, 2024 for more than 2 years, net of provision, amounting to ₹ 219,137,556. (Previous year ₹ 242,269,302), the company has made an independent assessment of these debts and considered as good of recovery. Consequently, no provision is required at this stage.

b. The Company is taking active steps to dispose off the current assets so taken over and pay the unpaid consideration to its holding company.

c. Assignment of dues from non residents are subject to approval of Reserve Bank of India, if required.

14 Previous year figures have been regrouped wherever necessary to confirm with current year presentation.

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Kelbuzz Trading Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. Luxquisite Parkland Private Limited

Report on the IND AS Financial Statements:

Opinion:

We have audited the accompanying standalone IND AS financial statements of M/s. Luxquisite Parkland Private Limited ("the Company"), which comprises of the Balance Sheet as at 31 March, 2024 and the Statement of Profit and loss, the Cash Flow Statement, the statement for Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information annexed thereto.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2024, and its loss and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit or the Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

Key Audit Matters:

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined that there are no Key Audit Matters to communicate in our report.

Information other than the standalone financial statements and the auditors report thereon:

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Business responsibility report, Corporate Governance and Shareholders Information, but does not include the standalone IND AS financial statements and our Auditors report thereon.

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

In connection with our audit of the standalone IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone IND AS financial statements, our responsibility is to read the other information and in doing so, whether, the other information is materially inconsistent with the standalone IND AS 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 no material mis-statement of this other information, we required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements, 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 Ind AS financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

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

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

Auditor's Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 leverl of assurance, but is not a guarantee that an audit conducted is in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone IND AS financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone IND AS 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 omission, mis-representation, or the override or internal control

2. Obtain an understanding of internal financial controls 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its operations to express an opinion on the standalone financial statements.

7. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2020, ("The Order") issued by the Government of India, in terms of sub section (11) of section 143 of the Act. And on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in the paragraphs 3 & 4 of the said order

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

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts.

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act as on 31st March 2023; and

   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 2"; and

   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 do not offer any comment on the remuneration paid by the company to it is Directors as during the aforementioned period, no remuneration has been paid by the company to its Directors

   h) with respect to the other matters to be included in the auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have pending litigations, which would impact its Ind AS financial statements

      ii. The company did not have any long term contracts and has not entered into any derivative contacts. Accordingly no provision is required to be recognized in the respect of material foreseeable losses under applicable laws or accounting standards.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds(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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

      (c) Based on the audit procedures that have 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 (i) and (ii) above, contain any material misstatement.

   v. The company had not proposed any divided during the previous year, no interim dividend was proposed or declared during the year and the Board of Directors have not proposed any dividend for the year which is required to be approved in the

Annual General Meeting. In the light of these circumstances, we have not offered any comment upon the compliance under section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 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 softwares. Further, during the course of our audit we did not not come across any instance of the audit trail feature being tampered with

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 **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
Firm Reg No: 006449S
UDIN: 24203081BKCZDP5208

Annexure -1 to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report to the members of **Luxquisite Parkland Private Limited, Bangalore**

1) The company does not have any fixed assets during the period covered under audit, hence the clause 3(i) of the Order is not applicable

2) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

   d) In accordance to the explanation and information given to us, during the period covered under audit, as there are no outstanding to bank / financial institutions, there is no requirement to file any quarterly statements or returns to any lenders. Hence no comments are being offered on the same.

3) The company has not granted any loans during the year to the Companies, firms or other parties listed in the registered maintained under section 189 of the Act, the clause 3(iii) of the Order is not applicable

4) In accordance to the information provided and explanations given to us, the company has not granted loan, made investment, provided any guarantee or security hence comments required under clause 3(iv) has not been made here.

5) The company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act, and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the said order are not applicable.

6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act for the products of the company. Accordingly, provisions of clause 3(vi) of the said order are not applicable.

7) a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues applicable to it to with the appropriate authorities. In terms of its books of accounts, no undisputed statutory dues payable in respect of provident fund, employees state insurance, income tax, wealth tax, GST, service tax, customs duty, excise duty, value added tax, cess, and any other undisputed statutory dues were outstanding, as at March 31, 2024 for a period of more than six months from the date they became payable.

   b) According to the records of the company and according to the information and explanations given to us, there were no dues outstanding on account of income tax, wealth tax, GST, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

8) According to the records of the company and according to the information and explanations provided to us, there are no transactions that are not recorded in the books of accounts to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) (i) According to the records of the company and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the bank.

(ii) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has applied the proceeds of the term loans obtained by it for the purpose for which it was obtained.

(iv) According to the records of the company and according to the information and explanations provided to us The funds raised on a short term basis have not been utilised for long term purposes

(v) According to the records of the company and according to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(vi) According to the records of the company and according to the information and explanations provided to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

10) (i) According to the records of the company and according to the information and explanations provided to us, the company has not made any Initial Public Offer during the year.

(ii) During the year, the company has made allotment of shares and according to the records of the company and according to the information and explanations provided to us the requirements of the section 42 and section 62 of the Companies Act have been complied with and the funds so raised have been utilized for the purposes for which it has been raised

11) (i) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no material frauds on or by the company has been noticed or reported.

(ii) According to the records of the company and according to the information and explanations provided to us, report under sub-Section (12) of Section 143 of the Companies Act has not 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.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has not any whistle-blower complaints during the year.

12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

13) The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) (i) The company has an internal audit system commensurate with the size and nature of its business.

(ii) The reports of the Internal Auditors for the period under audit has been considered.

15) The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.

16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, clause 3(xvi)(a) of the said order is not applicable.

17) The company has incurred cash loss of Rs. 24,849/- (Twenty four thousand eight hundred forty nine only) as cash losses during the financial year previous year Rs. 53,105 (Rupees Fifty three thousand one hundred five only) during the immediately preceding Financial Year covered in this audit.

18) There has not been any resignation by the statutory auditors of the company during the year.

19) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.

20) The provisions of the section 135 of the Companies Act, 2013 is not applicable to the company, hence clause 3(xx)(a) and (b) of the said order is not applicable to the company.

21) According to the information and explanations give to us and based on our examination of the records of the Company, There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDP5208

Annexure – 2 to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Luxquisite Parkland Private Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ganesh Kamath Associates**
Chartered Accountants

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDP5208

Date: May 21, 2024
Place: Bangalore

BALANCE SHEET AS AT MARCH 31, 2024

Amount in ₹

Particulars		Note No.	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non - current assets			
	(a) Financial Assets			
	(i) Investments	3	-	-
	Total non current assets		**-**	**-**
	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	4	216,551	217,199
	Total current assets		**216,551**	**217,199**
	TOTAL ASSETS		**216,551**	**217,199**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Share capital	5	606,500,000	606,500,000
	(b) Other equity	6	(629,918,146)	(629,893,297)
	Total Equity		**(23,418,146)**	**(23,393,297)**
	Current liabilities			
	(a) Other current liabilities	7	23,634,697	23,610,496
	Total current liabilities		**23,634,697**	**23,610,496**
	TOTAL EQUITY AND LIABILITY		**216,551**	**217,199**
Significant accounting policies and notes attached form an integral part of the financial statements		1,2, 10 to 12		

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Luxquisite Parkland Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Sanjeev Kumar S
Chief Financial Officer

Mahabaleshwar Bhat
Company Secretary
Membership No. A21919

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

Particulars		Note No.	Current Year	Previous Year
I	Income		-	-
	Total revenue		**-**	**-**
II	**Expenses**			
	Other expenses	8	24,849	53,109
	Total expenses		**24,849**	**53,109**
III	**Loss before tax (I - II)**		**(24,849)**	**(53,109)**
IV	**Tax expense:**			
	Current tax		**-**	**-**
V	**Loss for the year (III - IV)**		**(24,849)**	**(53,109)**
VI	**Earning per equity share:**	9		
	Basic & diluted		(0.00)	(0.00)
	Significant accounting policies and notes attached form an integral part of the financial statements	1,2, 10 to 12		

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Luxquisite Parkland Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Sanjeev Kumar S
Chief Financial Officer

Mahabaleshwar Bhat
Company Secretary
Membership No. A21919

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

Particulars	Current Year		Previous Year	
Cash flows from operating activities				
Loss before taxation		(24,849)		(53,109)
Adjustments for:				
(Increase)/ decrease in other current assets	-		7,650	
Increase/ (decrease) in trade payables and other current liabilities	24,201		35,370	
		24,201		43,020
Net cash from operating activities		**(648)**		**(10,089)**
Cash flows from investing activities		-		-
Net increase/(decrease) in cash and cash equivalents		**(648)**		**(10,089)**
Cash and cash equivalents at beginning of the period		**217,199**		**227,288**
Cash and cash equivalents at end of the period		**216,551**		**217,199**

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Luxquisite Parkland Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Sanjeev Kumar S
Chief Financial Officer

Mahabaleshwar Bhat
Company Secretary
Membership No. A21919

CHANGES IN EQUITY AS AT MARCH 31, 2024

(a) Equity Share Capital

Amount in ₹

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	606,500,000	606,500,000
Changes in equity share capital during the year	-	-
Balance at the end of the year	**606,500,000**	**606,500,000**

(b) Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(629,840,188)**	**(629,840,188)**
Add: Loss for the year	(53,109)	(53,109)
Total comprehensive income as at March 31, 2023	**(629,893,297)**	**(629,893,297)**
Add: Loss for the year	(24,849)	(24,849)
Total comprehensive income as at March 31, 2024	**(629,918,146)**	**(629,918,146)**

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

For and on behalf of the Board of Directors of
Luxquisite Parkland Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Sanjeev Kumar S
Chief Financial Officer

Mahabaleshwar Bhat
Company Secretary
Membership No. A21919

Place: Bengaluru
Date: May 21, 2024

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND:

Luxquisite Parkland Private Limited ("the Company") was incorporated on December 2, 2014 and is a subsidiary of Kirloskar Electric Company Limited. The Company has been formed as Special Purpose Vehicle ("SPV") as per the restructuring terms.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

2.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2.3 TAXES ON INCOME:

Provision for current tax for the year is after taking cognizance of excess / short provision in prior years. Deferred tax assets/liability is recognized, subject to consideration of prudence, on timing differences.

2.4 IMPAIRMENT :

(i) **Investment in Subsidiaries and Associates:**

The Company has accounted for its investments in Subsidiaries at cost less impairment loss (if any).

2.5 PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

2.6 FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) **Cash and Cash Equivalents:**

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

NOTES TO FINANCIAL STATEMENTS

3 Non current investments:

Details of Investments	Name of the Company	As at March 31, 2024			As at March 31, 2023		
		No of shares	Face value	Amount (₹)	No of shares	Face value	Amount (₹)
Investments in equity Instruments:							
Fully paid up	Kirsons BV	2,602	€ 100.00	623,000,688	2,602	€ 100.00	623,000,688
Total				**623,000,688**			**623,000,688**
Less : Provision for impairment in value of investments				623,000,688			623,000,688
Total				-			-

Additional Information:

Aggregate value of unquoted investments:

4 Cash and cash equivalents:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(i) Balances with banks		
- in other accounts	216,551	217,199
Total	**216,551**	**217,199**

NOTES TO FINANCIAL STATEMENTS

5. Share capital:

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Number	₹	Number	₹
a	**Authorized:**				
	Preference shares of Rs.10/- each	10,000	100,000	10,000	1,00,000
	Equity shares of Rs.10/- each	60,990,000	609,900,000	60,990,000	609,900,000
			610,000,000		**610,000,000**
b	**Issued, subscribed and fully paid up:**				
	Preference shares of Rs.10/- each				
	At the beginning of the reporting period	10,000	100,000	10,000	100,000
	Issued during the reporting period	-	-	-	-
	Redeemed during the reporting period	10,000	100,000		
	At the close of the reporting period	-	-	**10,000**	**100,000**
c	**Equity shares of Rs.10/- each**				
	At the beginning of the reporting period	60,640,000	606,400,000	60,640,000	606,400,000
	Issued during the reporting period	10,000	1,00,000	-	-
	At the close of the reporting period	**60,650,000**	**606,500,000**	**60,640,000**	**606,400,000**
	Total		**606,500,000**		**606,500,000**

Other Information:

1 Preference Shares:

a. The Company has issued non cumulative preference shares of ₹ 10/- each. The preference shareholders do not have voting rights.

b. Preference shares carry a dividend of 0.1%.

c. The Company has redeemed 10000 Preference shares at Rs 10 per share during the year

d.

Particulars of preference share holders holding more than 5% of the total number of preference share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Best Trading & Agencies Limited	-	-	10,000	100%

2 Equity shares:

a. The Company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

b.

Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Kirloskar Electric Company Limited (holding Company)	60,649,999	100%	60,639,999	100%

NOTES TO FINANCIAL STATEMENTS

6 Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(629,840,188)**	**(629,893,297)**
Add: Loss for the year	(53,109)	(53,109)
Total comprehensive income as at March 31, 2023	**(629,893,297)**	**(629,893,297)**
Add: Loss for the year	(24,849)	(24,849)
Total comprehensive income as at March 31, 2024	**(629,918,146)**	**(629,918,146)**

Amount in ₹

	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Other current liabilities:**		
	a) Amount due to holding company	23,615,997	23,592,996
	b) Other liabilities	18,700	17,500
		23,634,697	**23,610,496**

Amount in ₹

	Particulars	Current Year	Previous Year
8	**Other expenses:**		
	i) Rates and taxes	4,200	7,650
	ii) Payment to auditors - as auditor	15,000	15,000
	iii) Professional charges	5,000	20,370
	iv) Bank Charges	649	10,089
		24,849	**53,109**

	Particulars	As at March 31, 2024	As at March 31, 2023
9	**Earnings per share:**		
	(Basic and diluted)		
	After extraordinary item:		
	Loss for the year after tax expense	(24,849)	(53,109)
	Weighted average number of equity shares	60,650,000	60,640,000
	Loss per share	-0.00	-0.00

10 SEGMENT REPORTING:

The Company's business activity primarily falls within single business segment, no further disclosures required other than those given in the financial statements.

11 RELATED PARTY TRANSACTIONS:

(a) List of related parties:

Sl. No.	Name of the Related Party	Relationship
1	Kirloskar Electric Company Limited	Holding Company
2	Vikas Kumar Gandhi	Director
3	Anil Kumar Bhandari	
4	Prakash Purushotham	Key Management Personnel
5	K S Swapna Latha #	
6	Sanjeev Kumar S	
7	Mahabaleshwar Bhat $	

 # upto April 15, 2022

$ w.e.f July 18, 2022

(b) Transactions with related parties:

Amount in ₹

Particulars	Relationship	Current Year	Previous Year
Reimbrusement of expenses: Kirloskar Electric Company Limited	Holding Company	23,000	40,060
Investment in Equity Shares Kirloskar Electric Company Limited	Holding Company	100,000	-

(c) Outstanding balances at the end of the year:

Amount in ₹

Particulars	Relationship	As at March 31, 2024	As at March 31, 2023
Amount due from Company: Kirloskar Electric Company Limited	Holding Company	23,615,997	23,592,996

12 Previous years figures have been regrouped wherever required in conformity with current year presentation.

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Luxquisite Parkland Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Sanjeev Kumar S
Chief Financial Officer

Mahabaleshwar Bhat
Company Secretary
Membership No. A21919

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. SLPKG Estate Holdings Private Limited

Report on the IND AS Financial Statements:

Opinion:

We have audited the accompanying standalone IND AS financial statements of **M/s. SLPKG Estate Holdings Private Limited** ("the Company"), which comprises of the Balance Sheet as at 31 March, 2024 and the Statement of Profit and loss, the Cash Flow Statement, the statement for Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information annexed thereto.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2024, and its loss and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit or the Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

Key Audit Matters:

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key audit matter
Carrying value of the Trade receivables transferred from Holding company outstanding for a period of more than two years.	Our audit procedures included but were not limited to the following: 1. Evaluating the reasonableness of the assumptions considered by the management in estimation of the realization value of the receivables. 2. Review of the disclosure made by the company in the financial statements in this regard.

Information other than the standalone financial statements and the auditors report thereon:

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Business responsibility report, Corporate Governance and Shareholders Information, but does not include the standalone IND AS financial statements and our Auditors report thereon.

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

In connection with our audit of the standalone IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone IND AS financial statements, our responsibility is to read the other information and in doing so, whether, the other information is materially inconsistent with the standalone IND AS 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 no material mis-statement of this other information, we required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with

respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements, 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 Ind AS financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

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

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

Auditor's Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 is in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone IND AS financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone IND AS 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 omission, mis-representation, or the override or internal control.

2. Obtain an understanding of internal financial controls 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 material uncertainly exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its operations to express an opinion on the standalone financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2020, ("The Order") issued by the Government of India, in terms of sub section (11) of section 143 of the Act. And on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in the paragraphs 3 & 4 of the said order.

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

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts;

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act as on 31st March 2024; and

   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 2"; and

   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 do not offer any comment on the remuneration paid by the company to it is Directors as during the aforementioned period, no remuneration has been paid by the company to its Directors;

   h) with respect to the other matters to be included in the auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have pending litigations, which would impact its Ind AS financial statements .

      ii. The company did not have any long term contracts and has not entered into any derivative contacts. Accordingly no provision is required to be recognized in the respect of material foreseeable losses under applicable laws or accounting standards.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds(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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have 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 (i) and (ii) above, contain any material misstatement.

v. The company had not proposed any divided during the previous year, no interim dividend was proposed or declared during the year and the Board of Directors have not proposed any dividend for the year which is required to be approved in the Annual General Meeting. In the light of these circumstances, we have not offered any comment upon the compliance under section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 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 softwares. Further, during the course of our audit we did not not come across any instance of the audit trail feature being tampered with.

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 **Ganesh Kamath Associates**
Chartered Accountants

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
Firm Reg No: 006449S
UDIN: 24203081BKCZDO9580

Date: May 21, 2024
Place: Bangalore

Annexure -1 to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report to the members of **SLPKG Estate Holdings Private Limited, Bangalore**

1) The company does not have any fixed assets during the period covered under audit, hence the clause 3(i) of the Order is not applicable.

2) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

d) In accordance to the explanation and information given to us, during the period covered under audit, as there are no outstanding to bank / financial institutions, there is no requirement to file any quarterly statements or returns to any Hence no comments are being offered on the same.

3) The company has not granted any loans during the year to the Companies, firms or other parties listed in the registered maintained under section 189 of the Act, the clause 3(iii) of the Order is not applicable.

4) In accordance to the information provided and explanations given to us, the company has not granted loan, made investment, provided any guarantee or security hence comments required under clause 3(iv) has not been made here.

5) The company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act, and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the said order are not applicable.

6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act for the products of the company. Accordingly, provisions of clause 3(vi) of the said order are not applicable.

7) a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues applicable to it to with the appropriate authorities. In terms of its books of accounts, no undisputed statutory dues payable in respect of provident fund, employees state insurance, income tax, wealth tax, GST, service tax, customs duty, excise duty, value added tax, cess, and any other undisputed statutory dues were outstanding, as at March 31, 2024 for a period of more than six months from the date they became payable.

b) According to the records of the company and according to the information and explanations given to us, there were no dues outstanding on account of income tax, wealth tax, GST, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

8) According to the records of the company and according to the information and explanations provided to us, there are no transactions that are not recorded in the books of accounts to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) (i) According to the records of the company and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the bank.

(ii) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has applied the proceeds of the term loans obtained by it for the purpose for which it was obtained.

(iv) According to the records of the company and according to the information and explanations provided to us, the funds raised on a short term basis have not been utilised for long term purposes.

(v) According to the records of the company and according to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(vi) According to the records of the company and according to the information and explanations provided to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (i) According to the records of the company and according to the information and explanations provided to us, the company has not made any Initial Public Offer during the year.

(ii) During the year, the company has made allotment of shares and according to the records of the company and according to the information and explanations provided to us the requirements of the section 42 and section 62 of the Companies Act have been complied with and the funds so raised have been utilized for the purposes for which it has been raised.

11) (i) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no material frauds on or by the company has been noticed or reported.

(ii) According to the records of the company and according to the information and explanations provided to us, report under sub-Section (12) of Section 143 of the Companies Act has not 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.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has not any whistle-blower complaints during the year.

12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13) The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) (i) The company has an internal audit system commensurate with the size and nature of its business.

(ii) The reports of the Internal Auditors for the period under audit has been considered.

15) The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.

16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, clause 3(xvi)(a) of the said order is not applicable.

17) The company has incurred cash loss of Rs. 1,08,35,605/- (Rupees one crore eight lakhs thirty five thousand six hundred five only) as cash losses during the financial year previous year Rs. 1,21,70,044/- (Rupees One crore twenty one lakhs seventy thousand forty four only) during the immediately preceding Financial Year covered in this audit.

18) There has not been any resignation by the statutory auditors of the company during the year.

19) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.

20) The provisions of the section 135 of the Companies Act, 2013 is not applicable to the company, hence clause 3(xx)(a) and (b) of the said order is not applicable to the company.

21) According to the information and explanations give to us and based on our examination of the records of the Company, There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDO9580

Annexure – 2 to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SLPKG Estate Holdings Private Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ganesh Kamath Associates**
Chartered Accountants

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN : 24203081BKCZDO9580

Date: May 21, 2024
Place: Bangalore

BALANCE SHEET AS AT MARCH 31, 2024

Amount in ₹

	Particulars	Note No	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non - current assets			
	(a) Other non current assets	3	53,656,143	54,827,324
	Total Non Current Assets		**53,656,143**	**54,827,324**
	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	4 (a)	3,493,892	1,666,540
	(ii) Other bank balances	4 (b)	7,000,000	7,500,000
	(b) Other Current assets	5	3,250	4,932
	Total current assets		**10,497,142**	**9,171,472**
	TOTAL ASSETS		**64,153,285**	**63,998,796**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Share capital	6	1,000,000	1,000,000
	(b) Other Equity	7	(397,358,595)	(390,522,990)
	Total Equity		**(396,358,595)**	**(389,522,990)**
	Liabilities			
	Non Current Liabilities			
	(a) Other Non Current Liabilities	8	319,722,991	322,947,496
	Total Non Current Liabilities		**319,722,991**	**322,947,496**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	9	87,300,000	87,300,000
	(b) Other current liabilities	10	53,488,889	43,274,290
	Total Non Current Liabilities		**140,788,889**	**130,574,290**
	TOTAL EQUITY AND LIABILITIES		**64,153,285**	**63,998,796**
	Significant accounting policies and notes attached form an integral part of the financial statements	1,2,15 to 19		

In Accordance with our report attached

For **Ganesh Kamath Associates**
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
SLPKG Estate Holdings Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

	Particulars	Note No	As at March 31, 2024	As at March 31, 2023
I	**Other income**	11	548,674	72,604
II	**Expenses**			
	Finance costs	12	11,349,000	11,349,000
	Other expenses	13	(3,964,721)	893,648
	Total expenses		**7,384,279**	**12,242,648**
III	**Loss before tax (I - II)**		**(6,835,605)**	**(12,170,044)**
IV	**Tax expense:**			
	Current tax		-	-
V	**Loss for the year (III - IV)**		**(6,835,605)**	**(12,170,044)**
VI	**Earning per equity share:**	14		
	Basic & diluted		(68.36)	(135.22)
	Significant accounting policies and notes attached form an integral part of the financial statements	1,2,15 to 19		

In Accordance with our report attached

For and on behalf of the Board of Directors of
SLPKG Estate Holdings Private Limited

For **Ganesh Kamath Associates**
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Place: Bengaluru
Date: May 21, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

Particulars	As at March 31, 2024		As at March 31, 2023	
Cash flows from operating activities				
Loss before taxation		(6,835,605)		(12,170,044)
Adjustments for:				
Finance costs		11,349,000		11,349,000
		4,513,395		**(821,044)**
Decrease / (Increase) in other non current assets	1,171,181		47,241,563	
Decrease / (Increase) in current assets	1,682		3,132	
Increase / (Decrease) in non current liabilities	(3,224,505)		(37,103,670)	
Increase/(Decrease) in other current liabilities	10,214,599		10,202,300	
		8,162,957		20,343,325
		12,676,352		**19,522,281**
Net cash from operating activities		**12,676,352**		**19,522,281**
Net cash from investing activities		-		-
Cash flows from financing activities				
Finance costs	(11,349,000)		(11,349,000)	
Net cash from financing activities		**(11,349,000)**		**(11,349,000)**
Net increase/(decrease) in cash and cash equivalents		**1,327,352**		**8,173,281**
Cash and cash equivalents at beginning of the year		9,166,540		993,259
Cash and cash equivalents at end of the year		**10,493,892**		**9,166,540**

In Accordance with our report attached

For and on behalf of the Board of Directors of
SLPKG Estate Holdings Private Limited

For **Ganesh Kamath Associates**
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Place: Bengaluru
Date: May 21, 2024

CHANGES IN EQUITY AS AT MARCH 31, 2024

(a) Share Capital

Amount in ₹

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	1,000,000	1,000,000
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1,000,000**	**1,000,000**

(b) Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(378,352,946)**	**(378,352,946)**
Add: Loss for the year	(12,170,044)	(12,170,044)
Total comprehensive income as at March 31, 2023	**(390,522,990)**	**(390,522,990)**
Add: Loss for the year	(6,835,605)	(6,835,605)
Total comprehensive income as at March 31, 2024	**(397,358,595)**	**(397,358,595)**

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
SLPKG Estate Holdings Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND:

SLPKG Estate Holdings Private Limited ("the Company") was incorporated on December 2, 2014 and is a subsidiary of Kirloskar Electric Company Limited. The Company has been formed as Special Purpose Vehicle ("SPV") as per the restructuring terms.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2.3 ASSETS HELD FOR SALE:

Assets held for sale are stated at the cost or estimated net realizable value whichever is lower.

2.4 TAXES ON INCOME:

Provision for current tax for the year is after taking cognizance of excess / short provision in prior years. Deferred tax assets/liability is recognized, subject to consideration of prudence, on timing differences.

2.5 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to profit and loss account, in the year in which an asset is identified as impaired.

2.6 PROVISIONS AND CONTINGENT LIABILITIES:

a. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b. Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

2.7 FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

NOTES TO FINANCIAL STATEMENTS

Amount in ₹

	Particulars	As at March 31, 2024	As at March 31, 2023
3	**Other non current assets:**		
(i)	Assets Held for sale	50,835,682	50,835,682
(ii)	Other receivables	48,803,892	50,563,016
	Less: Provision for doubtful receivables	(46,000,000)	(50,000,000)
		2,803,892	**563,016**
(iii)	Advance Income Tax	16,569	3,428,626
	Total	**53,656,143**	**54,827,324**
4(a)	**Cash and cash equivalents:**		
	(i) Balances with banks		
	- in other accounts	3,493,892	1,666,540
		3,493,892	**1,666,540**
4(b)	**Other bank balances:**		
	(i) Balances with bank		
	- in short term deposits	7,000,000	7,500,000
		7,000,000	**7,500,000**
5	**Other Current Assets:**		
	Accrued interest on fixed deposits	3,250	4,932
		3,250	**4,932**

6 Share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹	Number	₹
Authorized:				
Preference shares of ₹ 10/- each	10,000	100,000	10,000	100,000
Equity shares of Rs.10/- each	100,000	1,000,000	90,000	900,000
		1,100,000		**1,000,000**
Issued, subscribed and fully paid up:				
Preference shares of ₹ 10 /- each				
At the beginning of the reporting period	10,000	100,000	10,000	100,000
Issued during the reporting period	-	-	-	-
Redeemed during the reporting period	10,000	100,000	-	-
At the close of the reporting period	**-**	**-**	**10,000**	**100,000**
Equity shares of ₹ 10/- each				
At the beginning of the reporting period	90,000	900,000	90,000	900,000
Issued during the reporting period	10,000	100,000	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	**100,000**	**1,000,000**	**90,000**	**900,000**
		1,000,000		**1,000,000**

NOTES TO FINANCIAL STATEMENTS

Other Information:

1 Preference Shares:

a. The Company has issued non cumulative preference shares of ₹ 10/- each. The preference shareholders do not have voting rights.

b. Preference shares carry a dividend of 0.1%.

c. The Company has redeemed 10000 Preference shares at Rs 10 per share during the year

d.

Particulars of preference share holders holding more than 5% of the total number of preference share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Best Trading & Agencies Limited	-	-	10,000	100%

2 Equity shares:

a. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

b.

Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Kirloskar Electric Company Limited (holding Company)	99,999	100%	89,999	100%

7 Other Equity:

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(378,352,946)**	**(378,352,946)**
Add: Loss for the year	(12,170,044)	(12,170,044)
Total comprehensive income as at March 31, 2023	**(390,522,990)**	**(390,522,990)**
Add: Loss for the year	(6,835,605)	(6,835,605)
Total comprehensive income as at March 31, 2024	**(397,358,595)**	**(397,358,595)**

	Particulars	As at March 31, 2024	As at March 31, 2023
8	**Other Non current liabilites :**		
	i) Amount due to holding company	319,722,991	322,947,496
		319,722,991	**322,947,496**
9	**Borrowings:**		
	Unsecured Loans:		
	Other than banks		
	i) Inter corporate deposits	87,300,000	87,300,000
		87,300,000	**87,300,000**
10	**Other current liabilities:**		
	a) Interst accrued	52,326,427	42,112,327
	b) Other liabilities	27,562	27,063
	c) Statutory liability	1,134,900	1,134,900
		53,488,889	**43,274,290**

NOTES TO FINANCIAL STATEMENTS

	Particulars	Current Year	Previous Year
11	**Other income :**		
	i) Interest income	548,674	72,604
		548,674	**72,604**
12	**Finance costs :**		
	i) Interest expenses	11,349,000	11,349,000
		11,349,000	**11,349,000**
13	**Other expenses:**		
	i) Rates and taxes	10,900	52,433
	ii) Payment to auditors - as auditor	7,500	15,000
	iii) Professional charges	-	8,260
	iv) Provision for doubtful trade receivable withdrawn	(4,000,000)	-
	v) Loss on sale of asset held for sale	-	816,657
	vi) Insurance	16,717	-
	vii) Bank charges	162	1,298
		(3,964,721)	**893,648**
14	**Earnings per share:**		
	(Basic and diluted)		
	Loss for the year after tax expense	(6,835,605)	(12,170,044)
	Weighted average number of equity shares	100,000	90,000
	Loss per share	(68.36)	(135.22)

15 SEGMENT REPORTING:

The Company is a SPV engaged in the realisation of fixed and current assets transferred from its holding company. Since the Company's business activity primarily falls within single business segment, no further disclosures required other than those given in the financial statements.

16 RELATED PARTY TRANSACTIONS:

(a) List of related parties:

Sl. No.	Name of the Related Party	Relationship
1	Kirloskar Electric Company Limited	Holding Company
2	Prakash Purushotham	Director
3	Vikas Kumar Gandhi	
4	Anil Kumar Bhandari	

(b) Transactions with related parties:

Amount in ₹

Particulars	Relationship	Current Year	Previous Year
Reimbrusement of expenses: Kirloskar Electric Company Limited	Holding Company	34,617	79,430
Investment in Equity Shares Kirloskar Electric Company Limited	Holding Company	100,000	-

(c) Outstanding balances at the end of the year:

Amount in ₹

Particulars	Relationship	As at March 31, 2024	As at March 31, 2023
Amount due from Company:			
Kirloskar Electric Company Limited	Holding Company	319,722,991	322,947,496

17 The Company is taking active steps to dispose off the immoveable properties and current assets so taken over and pay the unpaid consideration to its holding company and repay other borrowings.

18 In respect of aggregate trade receivables transferred from the holding company and outstanding as at March 31, 2024 for more than 2 years amounting to ₹ 2,803,892 (Previous year ₹ 563,016) net of provision. The company has made an independent assessment of these debts and considered as good of recovery.

19 Previous year figures have been regrouped wherever necessary to confirm with current year presentation.

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
SLPKG Estate Holdings Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. SKG Terra Promenade Private Limited

Report on the IND AS Financial Statements:

Opinion:

We have audited the accompanying standalone IND AS financial statements of M/s. SKG Terra Promenade Private Limited ("the Company"), which comprises of the Balance Sheet as at 31 March, 2024 and the Statement of Profit and loss, the Cash Flow Statement, the statement for Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information annexed thereto.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2024, and its loss and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit or the Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

Key Audit Matters:

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined that there are no Key Audit Matters to communicate in our report.

Information other than the standalone financial statements and the auditors report thereon:

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Business responsibility report, Corporate Governance and Shareholders Information, but does not include the standalone IND AS financial statements and our Auditors report thereon.

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

In connection with our audit of the standalone IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone IND AS financial statements, our responsibility is to read the other information and in doing so, whether, the other information is materially inconsistent with the standalone IND AS 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 no material mis-statement of this other information, we required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements, 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 Ind AS financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

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

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

Auditor's Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 is in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone IND AS financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone IND AS 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 omission, mis-representation, or the override or internal control

2. Obtain an understanding of internal financial controls 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its operations to express an opinion on the standalone financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2020, ("The Order") issued by the Government of India, in terms of sub section (11) of section 143 of the Act. And on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in the paragraphs 3 & 4 of the said order

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

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts.

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act as on 31st March 2024; and

   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 2"; and

   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 do not offer any comment on the remuneration paid by the company to its Directors as during the aforementioned period, no remuneration has been paid by the company to its Directors

   h) with respect to the other matters to be included in the auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have pending litigations, which would impact its Ind AS financial statements

      ii. The company did not have any long term contracts and has not entered into any derivative contacts. Accordingly no provision is required to be recognized in the respect of material foreseeable losses under applicable laws or accounting standards.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds(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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

      (c) Based on the audit procedures that have 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 (i) and (ii) above, contain any material misstatement.

   v. The company had not proposed any divided during the previous year, no interim dividend was proposed or declared during the year and the Board of Directors have not proposed any dividend for the year which is required to be approved in the

Annual General Meeting. In the light of these circumstances, we have not offered any comment upon the compliance under section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 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 softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with

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 **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
Firm Reg No: 006449S
UDIN: 24203081BKCZDN9341

Annexure -1 to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report to the members of SKG Terra Promenade Private Limited, Bangalore

1) The company does not have any fixed assets during the period covered under audit, hence the clause 3(i) of the Order is not applicable

2) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

   d) In accordance to the explanation and information given to us, during the period covered under audit, as there are no outstanding to bank / financial institutions, there is no requirement to file any quarterly statements or returns to any lenders. Hence no comments are being offered on the same.

3) The company has not granted any loans during the year to the Companies, firms or other parties listed in the registered maintained under section 189 of the Act, the clause 3(iii) of the Order is not applicable

4) In accordance to the information provided and explanations given to us, the company has not granted loan, made investment, provided any guarantee or security hence comments required under clause 3(iv) has not been made here.

5) The company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act, and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the said order are not applicable.

6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act for the products of the company. Accordingly, provisions of clause 3(vi) of the said order are not applicable.

7) a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues applicable to it to with the appropriate authorities. In terms of its books of accounts, no undisputed statutory dues payable in respect of provident fund, employees state insurance, income tax, wealth tax, GST, service tax, customs duty, excise duty, value added tax, cess, and any other undisputed statutory dues were outstanding, as at March 31, 2024 for a period of more than six months from the date they became payable.

   b) According to the records of the company and according to the information and explanations given to us, there were no dues

outstanding on account of income tax, wealth tax, GST, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

8) According to the records of the company and according to the information and explanations provided to us, there are no transactions that are not recorded in the books of accounts to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) (i) According to the records of the company and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the bank.

(ii) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has applied the proceeds of the term loans obtained by it for the purpose for which it was obtained.

(iv) According to the records of the company and according to the information and explanations provided to us the funds raised on a short term basis have not been utilised for long term purposes

(v) According to the records of the company and according to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(vi) According to the records of the company and according to the information and explanations provided to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

10) (i) According to the records of the company and according to the information and explanations provided to us, the company has not made any Initial Public Offer during the year.

(ii) During the year, the company has made allotment of shares and according to the records of the company and according to the information and explanations provided to us the requirements of the section 42 and section 62 of the Companies Act have been complied with and the funds so raised have been utilized for the purposes for which it has been raised

11) (i) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no material frauds on or by the company has been noticed or reported.

(ii) According to the records of the company and according to the information and explanations provided to us, report under sub-Section (12) of Section 143 of the Companies Act has not 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.

(iii) According to the records of the company and according to the information and explanations provided to us, the company has not any whistle-blower complaints during the year.

12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

13) The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) (i) The company has an internal audit system commensurate with the size and nature of its business.

(ii) The reports of the Internal Auditors for the period under audit has been considered.

15) The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year

16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, clause 3(xvi)(a) of the said order is not applicable.

17) The company has incurred cash loss of Rs. 1,08,35,605/- (Rupees one crore eight lakhs thirty five thousand six hundred five only) as cash losses during the financial year previous year Rs. 1,21,70,044/- (Rupees One crore twenty one lakhs seventy thousand forty four only) during the immediately preceding Financial Year covered in this audit.

18) There has not been any resignation by the statutory auditors of the company during the year

19) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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

20) The provisions of the section 135 of the Companies Act, 2013 is not applicable to the company, hence clause 3(xx)(a) and (b) of the said order is not applicable to the company.

21) According to the information and explanations give to us and based on our examination of the records of the Company, There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDN9341

Annexure – 2 to the Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SKG Terra Promenade Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ganesh Kamath Associates**
Chartered Accountants

Date: May 21, 2024
Place: Bangalore

(CA Ganesh Kamath M.)
Proprietor
M. No: 203081
FRN: 006449S
UDIN: 24203081BKCZDN9341

BALANCE SHEET AS AT MARCH 31, 2024

Amount in ₹

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non - current assets			
	(a) Other non current assets	3	54,856,485	54,856,485
	Total Non Current Assets		**54,856,485**	**54,856,485**
	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	4	21,852	771,851
	(b) Other Current assets	5	1,728,000	1,728,000
	Total current assets		**1,749,852**	**2,499,851**
	TOTAL ASSETS		**56,606,337**	**57,356,336**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Share capital	6	200,000	200,000
	(b) Other Equity	7	(163,148,681)	(163,130,057)
	Total Equity		**(162,948,681)**	**(162,930,057)**
	Liabilities			
	Current Liabilities			
	(a) Other Current Liabilities	8	219,555,018	220,286,393
	Total Current Liabilities		**219,555,018**	**220,286,393**
	TOTAL EQUITY AND LIABILITIES		**56,606,337**	**57,356,336**
	Significant accounting policies and notes attached form an integral part of the financial statements	1,2,13 to 17		

In Accordance with our report attached

For and on behalf of the Board of Directors of
SKG Terra Promenade Private Limited

For Ganesh Kamath Associates
Chartered Accountants

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

	Particulars	Note No.	Current Year	Previous Year
I	**Other income**	9	-	15,793,922
			-	**15,793,922**
II	**Expenses**			
	Finance costs	10	**-**	**-**
	Other expenses	11	18,624	32,366
	Total expenses		**18,624**	**32,366**
III	**Profit before tax (I - II)**		(18,624)	15,761,556
IV	**Tax expense:**			
	Current tax		-	-
V	**Profit / (Loss) for the year (III - IV)**		**(18,624)**	**15,761,556**
VI	**Earning per equity share:**	12		
	Basic & diluted		(1.86)	1,576.16
	Significant accounting policies and notes attached form an integral part of the financial statements	1, 2, 13 to 17		

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of Board of Directors of
SKG Terra Promenade Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Amount in ₹

Particulars	March 31, 2024		March 31, 2023	
Cash flows from operating activities				
Profit before taxation		(18,624)		15,761,556
		(18,624)		**15,761,556**
Increase/ (decrease) in other current liabilities	(731,375)		(15,769,623)	
Increase/ (decrease) in other current assets	-		3,690	
		(731,375)		15,765,933
Net cash from operating activities		**(749,999)**		**(4,377)**
Cash flows from investing activities		-		-
Net cash from financing activities		-		-
Net increase/(decrease) in cash and cash equivalents		**(749,999)**		**(4,377)**
Cash and cash equivalents at beginning of the period		771,851		776,228
Cash and cash equivalents at end of the period		**21,852**		**771,851**

In Accordance with our report attached

For and on behalf of Board of Directors of
SKG Terra Promenade Private Limited

For Ganesh Kamath Associates
Chartered Accountants

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

CHANGES IN EQUITY AS AT MARCH 31, 2024

(a) Equity Share Capital

Amount in ₹

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	**100,000**	**100,000**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**100,000**	**100,000**

(b) Other Equity

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(178,891,613)**	**(178,891,613)**
Add: Profit for the year	15,761,556	15,761,556
Total comprehensive income as at March 31, 2023	**(163,130,057)**	**(163,130,057)**
Add: Loss for the year	(18,624)	(18,624)
Total comprehensive income as at March 31, 2024	**(163,148,681)**	**(163,148,681)**

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of Board of Directors of
SKG Terra Promenade Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND:

SKG Terra Promenade Private Limited ("the Company") was incorporated on December 3, 2014 and is a subsidiary of Kirloskar Electric Company Limited. The Company has been formed as Special Purpose Vehicle ("SPV") as per the restructuring terms.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Freehold Land classified as Own assets and Leasehold Land classified as Assets taken on Finance Lease
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2.3 ASSETS HELD FOR SALE:

Assets held for sale are stated at the cost or estimated net realizable value whichever is lower.

2.4 TAXES ON INCOME:

Provision for current tax for the year is after taking cognizance of excess / short provision in prior years. Deferred tax assets/liability is recognized, subject to consideration of prudence, on timing differences.

2.5 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to profit and loss account, in the year in which an asset is identified as impaired.

2.6 PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

2.7 FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) **Cash and Cash Equivalents:**

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) **Financial assets at amortized cost:**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount .

(iii) **Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Amount in ₹

Particulars		As at March 31, 2024	As at March 31, 2023
3.	**Other non current assets:**		
	Assets Held for sale	54,856,485	54,856,485
	Total	**54,856,485**	**54,856,485**
4.	**Cash and cash equivalents:**		
	Balances with banks		
	- in other accounts	21,852	771,851
	Total	**21,852**	**771,851**
5.	**Other Current Assets:**		
	TDS Receivable	1,728,000	1,728,000
	Total	**1,728,000**	**1,728,000**

6. Share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹	Number	₹
Authorized:				
Preference shares of ₹ 10/- each	10,000	100,000	10,000	100,000
Equity shares of ₹ 10/- each	90,000	900,000	90,000	900,000
		1,000,000		**1,000,000**
Issued, subscribed and fully paid up:				
Preference shares of ₹ 10 /- each				
At the beginning of the reporting period	10,000	100,000	10,000	100,000
Issued during the reporting period	-	**-**	-	-
Redeemed during the reporting period	10,000	100,000	-	-
At the close of the reporting period	**-**		**10,000**	**100,000**
Equity shares of ₹ 10/- each				
At the beginning of the reporting period	10,000	100,000	10,000	100,000
Issued during the reporting period	10,000	100,000	-	-
Bought back during the reporting period	-		-	
At the close of the reporting period	**20,000**	**200,000**	**10,000**	**100,000**
Total		**200,000**		**200,000**

NOTES TO FINANCIAL STATEMENTS

Other Information:

1 Preference Shares:

a. The Company has issued non cumulative preference shares of ₹ 10/- each. The preference shareholders do not have voting rights.

b. Preference shares carry a dividend of 0.1%.

c. The Company has redeemed 10,000 Preference shares at Rs 10 per share during the year

d.

Particulars of peference share holders holding more than 5% of the total number of preference share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Best Trading & Agencies Limited	-	-	10,000	100%

2 Equity shares:

a. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

b.

Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2024		As at March 31, 2023	
	Number	Percentage	Number	Percentage
Kirloskar Electric Company Limited (holding Company)	19,999	100%	9,999	100%

7. Other Equity:

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2022	**(178,891,613)**	**(178,891,613)**
Add: Profit for the year	15,761,556	(15,761,556)
Total comprehensive income as at March 31, 2023	**(163,130,057)**	**(163130,057)**
Add: Loss for the year	(18,624)	(18,624)
Total comprehensive income as at March 31, 2024	**(163,148,681)**	**(16,31,48,681)**

8. Other current liabilites:

Particulars	As at March 31, 2024	As at March 31, 2023
a) Amount due to holding company	219,534,359	220,266,534
b) Other liabilities	20,659	19,859
	219,555,018	**220,286,393**

Particulars	Current Year	Previous Year
9. Other Income:		
Provision no longer required wrtitten back *	-	15,793,922
	-	15,793,922

* Excess interest provision withdrawan

10. Finance costs:		
i) Interest expenses	-	-
	-	**-**
11. Other expenses:		
i) Rates and taxes	3,100	4,729
ii) Payment to auditors - as auditor	15,000	15,000

NOTES TO FINANCIAL STATEMENTS

Particulars		Current Year	Previous Year
iii)	Insurance charges	524	-
iv)	Professional fees	-	8,260
v)	Bank charges	-	4,377
		18,624	**32,366**

12. Earnings per share:

(Basic and diluted)

Profit / (loss) for the year after tax expense	(18,624)	15,761,556
Weighted average number of equity shares	10,000	10,000
Profit per share	(1.86)	1,576.16

Particulars	As at March 31, 2024	As at March 31, 2023
13. Contigent liablities and commitments:		
(to the extent not provided for)	-	-

14. SEGMENT REPORTING:

The Company is a SPV engaged in the realisation of fixed and current assets transfered from its holding company. Since the Company's business activity primarily falls within single business segment, no further disclosures required other than those given in the financial statements.

15. RELATED PARTY TRANSACTIONS:

(a) List of related parties:

Sl. No.	Name of the Related Party	Relationship
1	Kirloskar Electric Company Limited	Holding Company
2	Prakash Purushotham	Director
3	Vikas Kumar Gandhi	
4	Ashok Mishra	

(b) Transactions with related parties:

Amount in ₹

Particulars	Relationship	Current Year	Previous Year
Reimbrusement of expenses: Kirloskar Electric Company Limited	Holding Company	17,824	36,099
Investment in Equity Shares: Kirloskar Electric Company Limited	Holding Company	100,000	-

(c) Outstanding balances at the end of the year:

Amount in ₹

Particulars	Relationship	As at March 31, 2024	As at March 31, 2023
Amount due from Company: Kirloskar Electric Company Limited	Holding Company	219,534,359	220,266,534

16. a. The Company is taking active steps to dispose off the remaining immoveable properties so taken over and pay the unpaid consideration to its holding company and repay the holding company's borrowings from bank.

17. Previous years figures have been regrouped wherever required in conformity with current year presentation.

In Accordance with our report attached

For Ganesh Kamath Associates
Chartered Accountants

CA. Ganesh Kamath M.
Proprietor
M. No. 203081
FRN: 006449S

Place: Bengaluru
Date: May 21, 2024

For and on behalf of Board of Directors of
SKG Terra Promenade Private Limited

Vikas Kumar Gandhi
Director
DIN:07104367

Prakash Purushotham
Director
DIN:07199035

Financial statements of the year 2023-24

1. BALANCE SHEET AS PER MARCH 31, 2024

(after appropriation of the result)

Particulars	Sl no.	March 31, 2024		March 31, 2023	
		€		€	
ASSETS					
Fixed assets					
Intangible fixed assets	**1**	-		-	
Intellectual property					
Current assets					
Receivables	**3**				
Loans and advancements to subsidiaries		471,566.28		471,566.28	
Tax receivables		62.49		62.49	
Prepaid expenses		1,103.16		1,103.16	
			472,731.93		**472,731.93**
Cash	**4**		-		1,458.11
TOTAL			**472,731.93**		**474,190.04**
EQUITY AND LIABILITIES					
Shareholders' equity	**5**				
Issued and paid up share capital		260,200.00		260,200.00	
Share premium		30,935,543.55		30,935,543.55	
Other reserves		-30,859,817.43		-30,857,359.32	
			335,926.12		**338,384.23**
Current liabilities	**6**				
Accounts payable		40,928.20		40,928.20	
Accruals		95,877.61		94,877.61	
			136,805.81		**135,805.81**
TOTAL			**472,731.93**		**474,190.04**

2. PROFIT AND LOSS ACCOUNT FOR THE PERIOD APRIL 1, 2023 TILL MARCH 31,2024

Particulars	Sl no.	March 31, 2024	March 31, 2023
		€	€
Costs			
Operating costs	7	1,000.00	1,000.00
		1,000.00	**1,000.00**
Operating result		-1,000.00	-1,000.00
Financial Result	8	1,458.11	-
Result ordinary activities before taxation		-2,458.11	-1,000.00
Taxation		-	-
Net result for the year		**-2,458.11**	**-1,000.00**

3. PRINCIPLES FOR VALUATION AND DETERMINATION OF THE RESULT

GENERAL INFORMATION

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

The valuation of assets and liabilities and the determination of the result occurs under the historical costs convention. Unless presented otherwise assets and liabiliities are stated at face value. Income and expenses are accounted for on accrual basis. Profit is only included if and when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if and when these are known before finalizing the financial statements.

Place of business

Kirsons B.V. (registered at the Chamber of Commerce under number 34308680) is actually established at Evert van de Beekstraat 104 in Schiphol (Netherlands).

Groupcompanies

The company forms part of a group, of which Kirsons B.V. in Amsterdam is at the head. The group consists futhermore of Lloyd Dynamowerke GmbH & Co. KG in Bremen (Germany) and Lloyd Beteiligungs-GmbH in Bremen (Germany).

Consolidation

Based upon the exemption stated in article 408, Book 2 of the Dutch Civil Code the company does not prepare consolidated financial statements. The company's financial statements as well as those of its subsidiaries are included in the consolidated financial statements of Kirloskar Electric Company Limited in Bangalore, India.

3.1 PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

The intangible fixed assets are valued at cost price and diminished with straight line depreciation and downward value adjustments.

Financial fixed assets

The participations in the subsidiaries are valued at cost price according to Dutch reporting guideline RJ 214.325 since the exemption of article 408, Book 2 of the Dutch Civil Code is applied. If necessary a provision for reduction in value is taken into account.

Receivables

Upon initial recognition the receivables are accounted for at face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash

Cash in hand and at the bank are accounted for at face value.

Current liabilities

Current liabilities are stated at face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Costs

Operating costs are taken into account in the period to which they relate, if necessary by means of accruals.

Depreciation costs

Intangible fixed assets including goodwill and tangible fixed assets are being depreciated from the moment of putting into operation based upon the expected economical useful life of each net asset. Downward value adjustments are here taken into account.

Financial result

The interest income and interest expenses relate to in this financial year received and paid interest of issued and received loans.

Taxation

Corporation tax is calculated at the applicable rate on the result for the financial year, taking into account differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

4. NOTES TO THE BALANCE SHEET AS PER MARCH 31, 2024

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Intellectual property
	€
Bookvalue as per April 1, 2023	**-**
Depreciation	-
Downward value adjustments	-
Bookvalue as per March 31, 2024	**-**
Acquisition price	1,270,000.00
Accumulated depreciation	-1,270,000.00
Bookvalue as per March 31, 2024	**-**
Rate of depreciation	%
Intellectual property	10

2. Financial fixed assets

	31.03.2024	31.03.2023
	€	€
Subsidiaries		
Lloyd Dynamowerke GmbH & Co. KG te Bremen (Germany) (94,89%)	-	-
Lloyd Beteiligung GmbH te Bremen (Germany) (100,00%)	-	-
	-	-

	01-04-2023 till 31-03-2024	01-04-2022 till 31-03-2023
	€	€
Lloyd Dynamowerke GmbH & Co. KG		
Account balance as per April 1	30,081,211.75	30,081,211.75
Movements	-	-
	30,081,211.75	**30,081,211.75**
Provision in connection with insolvency	-30,081,211.75	-30,081,211.75
Account balance as per March 31	**-**	**-**
Lloyd Beteiligung GmbH		
Account balance as per April 1	33,937.02	33,937.02
Movements	-	-
	33,937.02	**33,937.02**
Provision in connection with insolvency	-33,937.02	-33,937.02
Account balance as per March 31	**-**	**-**

In view of regular insolvency proceedings ongoing at Lloyd Dynamowerke GmbH & Co. KG in Bremen (Germany) and by way of precaution the investment is fully provided for. The managing board has initiated several legal steps for the recovery of the investment. Because Lloyd Beteiligung GmbH in Bremen (Germany) is a partner of Lloyd Dynamowerke GmbH & Co. KG and also by way op precaution the investment is fully provided for.

CURRENT ASSETS

3. Receivables

	March 31, 2024	March 31, 2023
	€	€
Loans and advancements to subsidiaries	125,134.68	125,134.68
LloydDynamowerkeGmbH&Co.KG,shareholders	346,431.60	346,431.60
	471,566.28	**471,566.28**

Because of the insolvency proceedings ongoing at Lloyd Dynamowerke GmbH & Co. KG the company cannot claim repayments on the shareholders loan and the accounts receivable as agreed upon in previous years. Provisions are made in connection with this insolvency.

Lloyd Dynamowerke GmbH &Co. KG, shareholders' loan

	01-04-2023 till 31-03-2024	01-04-2022 till 31-03-2023
	€	€
Account balance as per April 1	625,673.41	625,673.41
Movements	-	-
	625,673.41	**625,673.41**
Provision in connection with insolvency	-500,538.73	-500,538.73
Account balance as per March 31	125,134.68	125,134.68
Lloyd Dynamowerke GmbH & Co. KG, accounts receivable		
Account balance as per April 1	1,732,158.00	1,732,158.00
Movements	-	-
	1,732,158.00	**1,732,158.00**
Provision in connection with insolvency	-1,385,726.40	-1,385,726.40
Account balance as per March 31	**346,431.60**	**346,431.60**

	March 31, 2024	March 31, 2023
	€	€
Tax receivables		
Value Added Tax	62.49	62.49
Prepaid expenses		
Deposit rent	254.00	254.00
Miscellaneous	849.16	849.16
	1,103.16	1,103.16

	March 31, 2024	March 31, 2023
	€	€
4. Cash		
Cash in transit	-	1,458.11
	-	**1,458.11**

EQUITY AND LIABILITIES

5. Shareholders' equity

	March 31, 2024	March 31, 2023
	€	€
Issued and paid up share capital		
2.602 ordinary shares each of a nominal value of € 100	**260,200.00**	**260,200.00**

The authorised capital of the company amounts to € 390.000 consisting of 3.900 ordinary shares each of a nominal value of € 100.

	01-04-2023 till 31-03-2024	01-04-2022 till 31-03-2023
	€	€
Share premium		
Account balance as per April 1	30,935,543.55	30,935,543.55
Movements	-	-
Account balance as per March 31	**30,935,543.55**	**30,935,543.55**
Other reserves		
Account balance as per April 1	-30,857,359.32	-30,856,359.32
Netresult	-2,458.11	-1,000.00
Account balance as per March 31	**-30,859,817.43**	**-30,857,359.32**

6. Current liabilities

	March 31, 2024	March 31, 2023
	€	€
Accounts payable		
Accounts payable to creditors	928.20	928.20
Accounts payable Kirloskar Electric Company Limited	40,000.00	40,000.00
	40,928.20	**40,928.20**
Accruals and deferred liabilities		
Accruals		
Audit fee	8,000.00	8,000.00
Legal expenses, consultancy charges and tax matters	4,932.82	3,932.82
Loan Kirsons Trading Pte Ltd. (Singapore)	82,944.79	82,944.79
	95,877.61	**94,877.61**

OFF BALANCE COMMITMENTS

Subsequent events after balance sheet date

There have not been any subsequent events after balance sheet date with major financial consequences.

Financial commitments for more than one year

There are no claims, obligations and settlements which are not accounted for in the balance sheet.

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD APRIL 1, 2023 TILL MARCH 31, 2024

Number of employees

During the year 2023-2024 the company did not engage any employees.

7. General expenses

	March 31, 2024	March 31, 2023
	€	€
Tax advise, VAT and corporate tax	1,000.00	1,000.00
Audit fee	-	-
Roundingoff	-	-
	1,000.00	**1,000.00**

8. Financial result

Bank charges	1,458.11	-
	1,458.11	**-**

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	56,528	56,528
	2.	Total Expenditure	55,011	55,011
	3.	Net Profit/(Loss)	1,517	1,517
	4.	Earnings Per Share	2.28	2.28
	5.	Total Assets	64,824	64,824
	6.	Total Liabilities	54,284	54,284
	7.	Net Worth	10,540	10,540
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each Audit Qualification separately):

a. **Details of Audit Qualification:**
Attention of the Directors is invited to note 4 to the audited financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale and assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. We have relied on the management's representations that it is confident of realization of amounts due to the said subsidiaries aggregating to Rs.11,153.84 Lakhs (Rs.11,384.28 Lakhs as at March 31, 2023) against which provision is recognized for an amount of Rs.8,400.77 Lakhs. Pending disposals/realization of assets by the subsidiaries, shortfall in realization of the amount outstanding (net of provision), if any, could not be ascertained.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Repetitive

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**
These subsidiaries are taking active steps to repay the dues of the Company, from collection of book debts assigned and from disposal of immovable properties transferred apart from debts transferred as referred above. The board of directors are confident of realisation of the entire amounts due from the said subsidiaries or realizing much more amount from the sale of immovable properties.

(ii) **If management is unable to estimate the impact, reasons for the same:**
Same as Above comment.

(iii) **Auditors' Comments on (i) or (ii) above:**
Same as Above in Point a

III. **Signatories:**

- **Executive Chairman: Vijay R Kirloskar**
- **CFO: Sanjeev Kumar S**
- **Audit Committee Chairman: Kamlesh Gandhi**
- **Statutory Auditor: A.Umesh Patwardhan, Mem. No.222945**
  K N Prabhashankar & Co.,
  Chartered Accountants
  Firm Regn. No.0004982S

Place: Bengaluru

Date: May 23, 2024

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 **[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)**	**Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)**
	1.	Turnover / Total income	56,534	56,534
	2.	Total Expenditure	55,126	55,126
	3.	Net Profit/(Loss)	1,408	1,408
	4.	Earnings Per Share	2.12	2.12
	5.	Total Assets	64,014	64,014
	6.	Total Liabilities	55,780	55,780
	7.	Net Worth	8,234	8,234
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each Audit Qualification separately):

a. **Details of Audit Qualification:**
Attention of the Directors is invited to note 5 to the audited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at Rs.2,219 lakhs. The relevant accounts are subject to adjustments, if required after management completes review, reconciliation and identification of further doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Repetitive

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**
The Company is in the process of completing the review and reconciliation of receivables/book debts and in our opinion any further provision required will not have material impact on the financial results of the Company and we are confident of realizing the book debts.

(ii) **If management is unable to estimate the impact, reasons for the same:**
Same as Above comment.

(iii) Auditors' Comments on (i) or (ii) above:
Same as Above in Point a

III. **Signatories:**

- **Executive Chairman: Vijay R Kirloskar**
- **CFO: Sanjeev Kumar S**
- **Audit Committee Chairman: Kamlesh Gandhi**
- **Statutory Auditor: A.Umesh Patwardhan, Mem. No.222945**
  K N Prabhashankar & Co.,
  Chartered Accountants
  Firm Regn. No.0004982S

Place: Bengaluru

Date: May 23, 2024

2000kVA, 3300V, 3 Phase, 50Hz, 750RPM, AC Generator

1800kVA, CND353 Converter Duty Special Transformer

If undelivered, Please return to :
KIRLOSKAR ELECTRIC COMPANY LIMITED
No. 19, 2nd Main Road, Peenya 1st stage
Phase - I, Peenya, Bengaluru - 560 058