



KPML

**ANNUAL REPORT
2025-2026**

Revolutionising Rotation, Powering Progress

KARAD PROJECTS AND MOTORS LIMITED

VISIT



Visit of Barc Officials..



Visit of IOCL Delegates

Annual Report for the financial year ended on 31st March 2026

BOARD OF DIRECTORS

| | | |
|--------------------------|---|--|
| Mr. Achyut Dhadphale | – | Chairman / Additional Director (w.e.f. 08.12.2025) |
| Mr. K. Taranath | – | Chairman (up to 01.08.2025) |
| Mr. Ravindra R. Samant | – | Managing Director |
| Ms. Rama S. Kirloskar | – | Director |
| Mr. Chittaranjan M. Mate | – | Director |
| Mr. Ravindra Birajdar | – | Additional Director (w.e.f. 18.07.2025) |
| Mr. Suresh Deshpande | – | Additional Director (w.e.f. 08.12.2025) |
| Ms. Manjiri Jawadekar | – | Director (up to 06.06.2025) |

CHIEF FINANCIAL OFFICER

Ms. Suchitra Deshmukh (w.e.f. 27.11.2025)
Mr. Ananta Charan Das (up to 17.09.2025)

WORKS/DIVISIONS

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

COMPANY SECRETARY

Ms. Anuja Laturkar (up to 26.02.2026)
Mr. Amit Shukla (w.e.f. 27.02.2026)

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

AUDITORS

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

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

Goa Division: Survey No. 120,121 & 177,
Behind Mohit Ispat, Village : Navelim,
Taluka - Bicholim, North Goa, Goa - 403505

Foundry Division: Pune Bangalore Highway, Shirol
(“ Pulachi), Tal. : Hatkanangale, Dist. : Kolhapur-
416122

BANKERS

HDFC Bank Limited
ICICI Bank Limited

REGISTERED OFFICE

‘Yamuna’, S.No. 98/(3-7),
Plot No. 3, Baner, Pune - 411 045
E-mail: enquiry@kpml.co.in
Website: www.kpml.co.in
CIN : U45203PN2001PLC149623

Information for shareholders

Annual General Meeting

Day & Date : Thursday, 16th July 2026
Time : 2:30 P.M.
Venue : Registered Office,
‘Yamuna’, S.No. 98/(3-7), Plot No. 3,
Baner, Pune - 411 045

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BOARD'S REPORT

The Members
Karad Projects and Motors Limited
Karad

Your directors present the **Twenty-Fifth Annual Report** and Audited Financial Statements of the Company for the year ended **March 31, 2026**.

1. FINANCIAL PERFORMANCE

The financial results of the Company for the financial year 2025-26 as compared with the previous financial year are as under: -

(INR in Lakhs)

| Particulars | Year ended March 31, 2026 | Year ended March 31, 2025 |
|--|------------------------------|------------------------------|
| Revenue from Operations | 68,723.98 | 60,188.94 |
| Other Income | 1094.75 | 1,685.95 |
| Total | 69,818.73 | 61,874.89 |
| Less - Depreciation | 1,064.57 | 969.81 |
| Finance Costs | 274.79 | 379.31 |
| Other Expenses | 11,019.07 | 9,366.61 |
| Exceptional Items (income) | (251.30) | 162.26 |
| Profit / (Loss) before tax | 6,122.00 | 5,393.87 |
| Total Tax Expenses | (1,298.48) | 1,928.51 |
| Profit / (Loss) after tax | 7,420.48 | 3,465.36 |
| Other Comprehensive Income (Expenses) | (49.14) | (5.72) |
| Total Comprehensive Income for the year | 7,371.34 | 3,459.64 |
| Amount Transferred to General Reserve | 7,371.34 | 3,459.64 |

2. STATEMENT OF AFFAIRS:

During the year, the total revenue from operations of the Company is Rs. 68,723.98 lakhs which is higher by 14% than the previous year. This increase in revenue is observed mainly due to the opportunity in generating revenue through operations, continued improved performance, sales of new products and market conditions.

The National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated November 3, 2025 has approved the Scheme of Amalgamation between The Kolhapur Steel Limited (TKSL/Transferor Company) and Karad Projects and Motors Limited (KPML/Transferee Company) and their respective shareholders ('the Scheme'). The Scheme became effective on December 5, 2025, being the date on which the certified copy of the NCLT order along with all requisite approvals was filed with the Registrar of Companies (ROC), Pune.

3. DIVIDEND:

In order to conserve resources of the Company, your directors do not propose any dividend for the financial year 2025-26.

STATUTORY DISCLOSURES

4. ANNUAL RETURN:

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

5. CHANGE IN THE NATURE OF BUSINESS:

Pursuant to Scheme of Amalgamation, The Kolhapur Steel Limited ("TKSL") erstwhile wholly owned subsidiary of Karad Projects and Motors Limited ("KPML") has been amalgamated with the Company.



TKSL was engaged in the business of steel and alloy castings. upon the Scheme becoming effective, TKSL stood dissolved without being wound up, on the appointed date of the scheme October 3, 2024. The revenue activities of TKSL will now be carried out by KPML under its foundry division.

6. BOARD MEETINGS:

During the Financial year 2025-26, Nine Board Meetings were held:

22nd April, 2025; 03rd July, 2025; 18th July, 2025; 17th October, 2025; 4th November, 2025; 27th November, 2025; 8th December 2025; 20th January, 2026 and 20th February, 2026.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company, wherever required, and that such internal financial controls are adequate and were operating effectively;
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note No. 5 of the Financial Statements.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

| | | |
|---|---|---|
| A | Name(s) of the related party and nature of relationship | Kirloskar Brothers Limited - Holding company |
| B | Nature of contracts / arrangements / transactions | Sale / Purchase and rendering / receiving services |
| C | Duration of the contracts / arrangements / transactions | Ongoing / On monthly basis |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any; | Transactions with related parties for the year ended March 31, 2026 are attached to the Notes to accounts of the Financial Statement. |
| E | Date(s) of approval by the Board, if any; | As all the transactions are in ordinary course of business and at arm's length, Board approval was not required |
| F | Amount paid as advances, if any: | Nil |

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

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

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

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

12. BUSINESS RISK MANAGEMENT:

The Company has formulated Risk Management Systems and constituted a Risk Management Committee. Senior management team periodically reviews the working conditions affecting the Company and reports the same to the Board. In the opinion of the Board, none of the identified risks threaten the existence of the Company.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Chittaranjan Mate (07399559), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ravindra Birajdar (DIN: 07331908) was appointed by the Board as Additional Director (Non-Executive Category) of the Company with effect from July 18, 2025. His appointment as a Non-Executive Director is proposed at the ensuing Annual General Meeting.

Mr. Achyut Dhadphale (DIN: 07172828) was appointed by the Board as Additional Director (Non-Executive Category) of the Company with effect from December 08, 2025. His appointment as a Non-Executive Director is proposed at the ensuing Annual General Meeting.

Mr. Suresh Deshpande (DIN: 00405565) was appointed by the Board as Additional Director (Non-Executive Category) of the Company with effect from December 08, 2025. His appointment as a Non-Executive Director is proposed at the ensuing Annual General Meeting.

Ms. Suchitra Deshmukh was appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) on November 27, 2025 in place of Mr. Ananta Das, who resigned as CFO and KMP, w.e.f. September 17, 2025.

Mr. Amit Shukla was appointed as Company Secretary (CS) and Key Managerial Personnel (KMP) on February 27, 2026 in place of Ms. Anuja Laturkar, who resigned as CS and KMP, w.e.f. February 26, 2026.

During the year under review, Ms. Manjiri Jawadekar resigned from the Board of Directors of the Company with effect from June 6, 2025. Further, Mr. K. Taranath resigned from the Board of Directors with effect from August 1, 2025. The Board places on record its sincere appreciation for their valuable contributions and guidance during their tenure as Directors of the Company.

14. PARTICULARS OF EMPLOYEE:

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

15. DISCLOSURE ON SECRETARIAL STANDARDS:

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

16. CORPORATE SOCIAL RESPONSIBILITY:

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

17. DEPOSITS:

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

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

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

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

The Company has an Internal Financial Control Systems which are commensurate with the size, scale, nature and complexity of its operations.



Basis of the feedback and past experiences, the Corporate Internal Audit Department of Kirloskar Brothers Limited (Holding Company) was appointed as internal auditors of the Company, in place of M/s. KPMG Assurance and Consulting Services LLP, for Financial Year 2025-26 onwards, at the Board meeting of the Company held on July 18, 2025.

Based on the report of Internal Auditors, the Company undertakes corrective actions and further strengthens the controls as and when required.

20. HOLDING COMPANY:

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

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

During the previous year i.e. financial year 2024-25, pursuant to the Share Purchase Agreement with Kirloskar Brother Limited, the Company acquired 100% stake in The Kolhapur Steel Limited (TKSL) on October 1, 2024, due to which TKSL had become a wholly owned subsidiary of the Company. Further, at the Board meeting of the Company held on October 15, 2024, the Scheme of Amalgamation of TKSL into the Company was approved.

During the current financial year i.e. 2025-26, pursuant to the order of National Company Law Tribunal, Mumbai Bench ('NCLT') dated November 03, 2025, the Scheme of Amalgamation of TKSL into KPML was approved. Accordingly, after necessary filing of said order with Registrar of Companies, TKSL (wholly owned subsidiary) of the Company ceased to exist with effect from December 05, 2025.

Thus, as on date of this report, the Company does not have any subsidiary, joint venture or associate company. The requirement of AOC-1 is not applicable.

22. AUDITORS:

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

Your Company is required to maintain the Cost Records as required under section 148(1) of the Companies Act, 2013 and accordingly such records are maintained by the Company for the year ended March 31, 2026.

M/s. Parkhi Limaye & Co. (Firm Registration No. 191) were appointed as Cost Auditors as per Section 148 of the Companies Act, 2013, read with applicable rules made thereunder for the Financial Year 2025-26.

M/s. Parkhi Limaye & Co. (Firm Registration No. 191) have been appointed as Cost Auditors as per Section 148 of the Act, read with applicable rules made thereunder for the Financial Year 2026-27. Their remuneration is subject to ratification by the shareholders at the ensuing Annual General Meeting.

23. QUALIFICATIONS OR ADVERSE REMARKS OR DISCLAIMERS CONTAINED:

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

24. REPORTING ON FRAUDS BY AUDITORS:

During the year under review, no fraud was reported by the Auditors of the Company.

25. SECRETARIAL AUDITORS:

Abhijit Dakhawe, Practicing Company Secretary was appointed as a Secretarial Auditor as per Section 204 of the Act, 2013 for the Financial Year 2025-26.

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

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

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



In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2026:

| | |
|--|-----|
| No. of Complaints received in the year | Nil |
| No. of complaints disposed off in the year; | Nil |
| Cases pending for more than 90 days; | Nil |
| No. of workshops and awareness programmes conducted in the year; | 02 |
| Nature of action by employer or District Officer, if any | Nil |

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

Not Applicable

28. DETAILS ON ONE TIME SETTLEMENT:

Not Applicable

29. COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961.

Your Company has complied with the provisions relating to the Maternity Benefit Act 1961.

30. ACKNOWLEDGMENT:

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

For and on behalf of the Board of Directors,

Karad Projects And Motors Limited

Place: Pune

Date: April 27, 2026

Ravindra Samant

Managing Director

(DIN: 07002226)

Achyut Dhadphale

Chairman

(DIN: 07172828)



ANNEXURE I

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

(A) Conservation of energy :

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

1. Implementing a VFD reduced non-value-added energy at the ideal cycle of the THT die-casting machine, saving approximately 4,600 kWh per year.
2. Implemented the VFD for the centralized cooling tower motor and synchronize the speed of a motor with five machines. saved approximately 3,100 kWh per year in stamping Division.
3. Replacing old motors with new energy-efficient motors on four different machines saved approximately 1,650 kWh per year in stamping Division.
4. To reduce waste heat from aluminum melting furnaces, we implemented heat-arresting doors for four furnaces, synchronized with machine operation, and will be saved approximately 21,000 kWh per year.
5. Using high-efficiency reflective lining in two furnaces improved thermal efficiency and save 7% of kWh per kilogram of aluminum melting units.
6. Air booster implementation for high-speed punching press machines to reduce energy consumption of Air Compressor – Expecting approx. 12 % energy saving per cubic per minute
7. Air leakage quantification and air audit have been completed, leading to a 6% reduction in compressed air consumption.
8. Replacement of 30 CFL/Metal Halide lamps by LED lamps in production shop. This will save approx. 8486 KWH/Year.
9. Old ACs in Production Cabin and IT dept replaced with 5 stars rated ACs for reducing use of electrical energy. This will save 7092 KWH/Year in Motor Division.
10. Replacement of old motors with new energy efficient motors on 4 different machines, which will save approx. 1546 KWH/year in Motor Division.
11. Refurbishment of Sewage Treatment Plant and replacement of compressed air supply with blower system for aeration, this saved 15% of total compressed air consumption.
12. Replaced 8 conventional ceiling and wall fans by BLDC fans, this saves energy of approximately 65 KWH per year
13. Implemented motion sensor lights in office and Healthcare products manufacturing premises, this saves up to 6364 KWH per year.
14. Conducted air leak audit with laser technology, found out 61 different small leakages and arrested them. This saved 127165 kwh/year.
15. Running VFD compressor instead of fixed-speed compressor
16. Installation & replacement of energy-efficient motors for cranes (IE3/IE4) & Pumps.
17. Use of LED lighting across plants.
18. Solar power utilization from open access sourcing.
19. Maintaining plant power factor up to 0.996
20. Uses of VFD to existing cranes to reduce starting current & conventional system & electricity savings.
21. Installation of energy monitoring & demand controller system to reduce demand & consumption.
22. Utilization of waste heat recovery from furnaces for preheating heat of furnace.

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

1. Maximizing the use of renewable energy, last year, the renewable energy share was 75% of total consumption.



2. Open access solar are installed to generate renewable electricity. Savings approx. Rs 8.43 lacs/month
3. Reduction in dependency on grid power and fossil fuels.

(iii) The capital investment on energy conservation equipment:

- Rs. 12.00 Lakh
- Reduction in power cost by installing solar project (1.67 MWAC)- cost saving Rs 8.41 lacs
- Transparent sheets for foundry shed to minimize day lightning consumption.

(B) Technology absorption:

(i) The efforts made towards technology absorption: NA

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

1. Reduced setup time, improved accuracy, increased machine up-time, enhanced safety and consistent quality.
2. Improved tool life, enhanced tapping quality, higher productivity, minimized rejection, enhanced safety, versatility and energy efficiency.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): Not Applicable

- (a) the details of technology imported: Not Applicable
- (b) the year of import: Not Applicable
- (c) Whether the technology has been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) Expenditure incurred on Research and Development: Rs.93.57 Lakh.

(C) Foreign exchange earnings and outgo

Current Year
2025-26
(INR in lakhs)

| | |
|---|---------|
| Foreign Exchange earned in terms of actual inflows during the year: | 3015.33 |
| Foreign Exchange outgo during the year in terms of actual outflows: | 2003.25 |

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

Place: Pune
Date: April 27, 2026

Ravindra Samant
Managing Director
(DIN: 07002226)

Achyut Dhadphale
Chairman
(DIN: 07172828)



ANNEXURE II
ANNUAL REPORT ON CSR ACTIVITIES
FY 2025-26

| | |
|---|---|
| 1. Brief outline on CSR Policy of the Company: | Brief outline on CSR Policy of the Company: KPML has CSR policy duly approved by the Board of Directors with a view to provide a mechanism for meeting its social responsibility in an effective manner and to provide optimum benefits to various deserving sections in surrounding rural area. While implementing such CSR activities KPML is following guidelines laid down by Kirloskar Brothers Ltd. The focus of its CSR has been primarily in the area of Education, Health, Environment & other eligible activities as provided in the provisions of Companies Act, 2013. |
|---|---|

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------|--------------------------------------|--|--|
| 1 | Mr. K Taranath* | Chairman* | 3 | 1 |
| 2 | Mr. Chittaranjan Mate | Chairman\$ | 3 | 2 |
| 2 | Mr. Ravindra Samant | Director | 3 | 3 |
| 3 | Mr. Ravindra Birajdar# | Director | 3 | 1 |

*Resigned from Directorship of the Company effective August 1, 2025

\$Appointed as Chairman of the committee w.e.f. October 17, 2025

Appointed as Member of the committee w.e.f. October 17, 2025

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the web-site of the company. : <https://kpml.co.in/aboutus.php?id=38>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable
5. (a) Average net profit of the company as per section 135(5). Rs. 84,85,44,564/-
 (b) Two percent of average net profit of the company as per sub-section (5) of Section 135 Rs. 1,69,70,891/-
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. Nil
 (d) Amount required to be set-off for the financial year, if any. Rs. 9,346/-
 (e) Total CSR obligation for the financial year [(b) + (c)-(d)]. Rs. 1,69,61,546/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Rs. 1,75,85,989/-
 (b) Amount spent in Administrative Overheads. Nil
 (c) Amount spent on Impact Assessment, if applicable. Nil
 (d) Total amount spent for the Financial Year [(a) + (b) + (c)]. Rs. 1,75,85,989/-
 (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in INR) | | | | |
|--|--|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1,75,85,989/- | 37.09 Lacs | April 27, 2026 | NA | NIL | NA |

- (f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (INR) |
|---------|---|---------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 1,69,70,891/- |
| (ii) | Total amount spent for the Financial Year | 1,75,85,989/- |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 6,15,098/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 6,15,098/- |



7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) |
|----------------|-----------------------------|--|--|---|---|------------------|---|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR) | Amount spent in the Financial Year (in INR) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (in INR) | Deficiency, if any |
| | | | | | Amount (in INR.) | Date of transfer | | |
| Not Applicable | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No Yes / No If Yes, enter the number of Capital assets created/ acquired :-

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

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :- Not Applicable

Place: Pune
Date: April 27, 2026

Ravindra Samant
Managing Director
(DIN: 07002226)

Chittaranjan Mate
Chairman
(DIN: 07399559)



ANNEXURE III
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31.03.2026

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

To,
The Members,
Karad Projects and Motors Limited,
Yamuna, Survey No. 98/(3 to 7), Plot No. 3,
Baner, Pune 411045

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (during the year under review not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialized form);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with Client (during the year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under review not applicable to the Company as the Company has not done delisting of shares);



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

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

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Women Director. Being an unlisted public company, which is a wholly owned subsidiary, appointment of independent directors is exempted.

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 for meetings other than those held at shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period:

- a) The Scheme of Amalgamation of The Kolhapur Steel Limited (Transferor Company) with the Company (Transferee Company) and their respective shareholders was approved by The National Company Law Tribunal, Mumbai Bench, vide it's Order dated November 3, 2025. The appointed date for the said scheme was fixed as October 3, 2024. The Company filed Form INC-28 with Register of Companies on December 5, 2025, accordingly the scheme became effective from December 5, 2025.
- b) Pursuant the Scheme of Amalgamation becoming effective, the Authorised Capital of the Company stands revised to INR 98,00,00,000/- (Rupees Ninety-Eight Crores Only).

Abhijit Dakhawe

Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126H000203070

Place: Pune

Date: 27-APR-2026

This report is to be read with Annexure A which forms an integral part of this report.



Annexure to the Secretarial Audit Report

To,
The Members,
Karad Projects and Motors Limited,
Yamuna, Survey No. 98/(3 to 7), Plot No. 3,
Baner, Pune 411045

Auditor's responsibility

Based on audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. My report of even date is to be read along with this letter.

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

Abhijit Dakhawe
Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126H000203070

Place: Pune
Date: 27-APR-2026



MAJOR HIGHLIGHTS OF THE YEAR

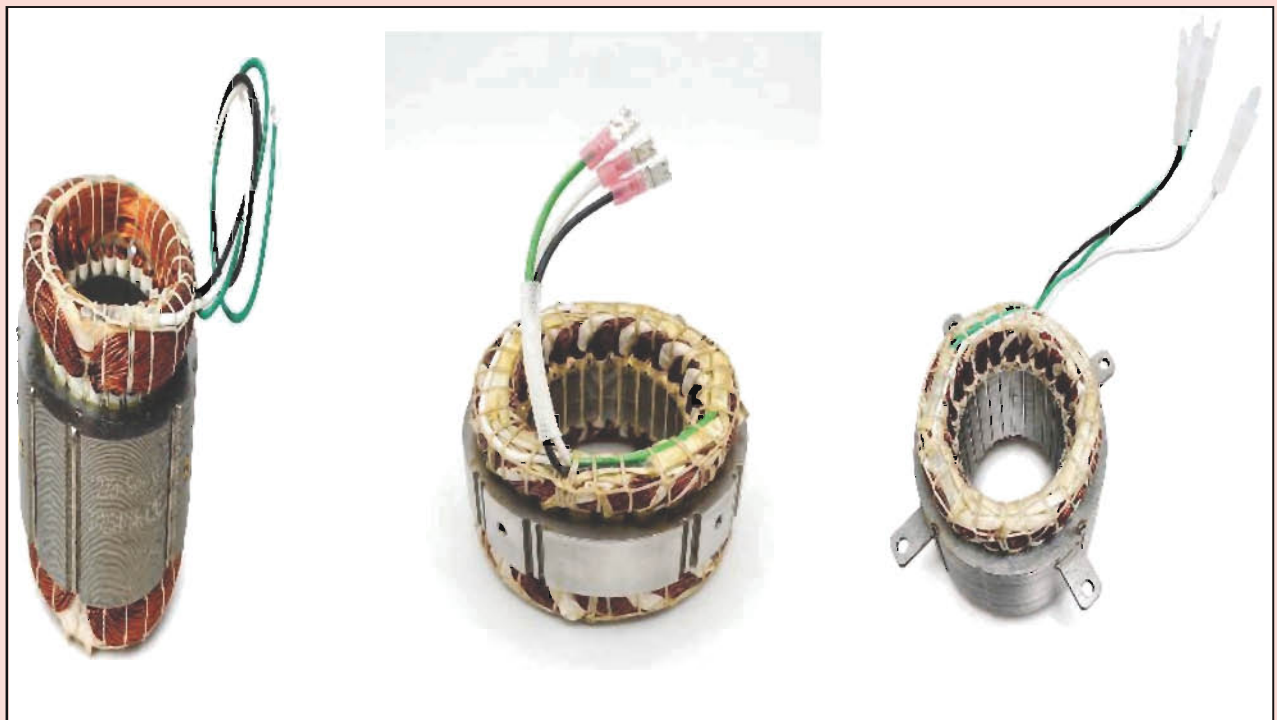




NEW PRODUCT



1st Batch of Oil circulating single impeller pump dispatched on 18th Dec 25 to GE-healthcare.



For Healthcare Application –New Stators developed



VISIT



Varex team visit




KBL CSS & ASC Team

CERTIFICATION

| Form 5 The Patent Act, 1970 (39 of 1970) The Patent Rules, 2003 Declaration as to Inventorship (See Section 100) and Rule 13(5) | | | | | | | | | | | |
|---|-------------|---|------|-------------|---------|-------------------|-------------|---|---------------|-----------|--|
| <p>1. Name of the Applicant: Karad Projects and Motors Ltd [An Indian Company] having address at B-67 and 68, Karad Industrial Area, Taramate, Karad-415109, Maharashtra State, India.</p> <p>I hereby declare that the true and first inventor(s) of the invention disclosed in the Complete Specification filed in pursuance of our Application No. 201211019903 dated 22nd April 2022 are</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Name</th> <th>Nationality</th> <th>Address</th> </tr> </thead> <tbody> <tr> <td>Manoharan Nambiar</td> <td>Both Indian</td> <td>Karad Projects and Motors Ltd, B-67 and 68, Karad Industrial Area, Taramate, Karad-415109, Maharashtra State, India</td> </tr> <tr> <td>Vinodh Rajpal</td> <td>Norwegian</td> <td></td> </tr> </tbody> </table> <p>Dated this 18th day of April 2022</p> <p style="text-align: right;">Pratikha Vange (Agent for Applicant) (2014-2016)</p> | | | Name | Nationality | Address | Manoharan Nambiar | Both Indian | Karad Projects and Motors Ltd, B-67 and 68, Karad Industrial Area, Taramate, Karad-415109, Maharashtra State, India | Vinodh Rajpal | Norwegian | |
| Name | Nationality | Address | | | | | | | | | |
| Manoharan Nambiar | Both Indian | Karad Projects and Motors Ltd, B-67 and 68, Karad Industrial Area, Taramate, Karad-415109, Maharashtra State, India | | | | | | | | | |
| Vinodh Rajpal | Norwegian | | | | | | | | | | |
| <p>2. Declaration to be given when the application in India is filed by the applicant(s) in the Convention Country -</p> <p>We the applicant(s) in the convention country hereby declare that our right to apply for a patent in India is by way of assignment from the true and first inventor(s)</p> <p>Date: _____ Sign: _____ Name of the inventor: _____</p> | | | | | | | | | | | |
| <p>3. Statement to be given by the additional inventor(s) not mentioned in the application form</p> <p>I/We consent to the invention referred to in the above declaration, being included in the complete specification filed in pursuance of the said application</p> <p>Date: _____ Sign of additional inventor: _____ Name: _____</p> | | | | | | | | | | | |
| <p>To, The Controller of Patents, The Patent Office, Mumbai-400 057</p> | | | | | | | | | | | |

Patent granted for our IE5 motor design



Varex Imaging Manufacturing India Private Ltd
Plot No. P-AP-IC-111, MIDC,
Chakan Industrial Area, Phase-II,
Pune, Maharashtra, 410501,
Phone : +91 (209)723 6363
www.vareximaging.com

Date 5th September 2025


To: Karad Projects and Motors Limited, Karad

Subject: Formal Appreciation for Continued Support and Collaboration

We wish to formally convey our sincere appreciation for the exemplary service and unwavering support that KPLM has consistently provided.

Your collaboration, particularly in the area of **design capabilities**—along with your high standards of professionalism and dedication in delivering the **Stator**, has been instrumental in reinforcing the efficiency and resilience of our supply chain operations.

We deeply value this partnership. Your meticulous attention to detail and commitment to excellence continue to set a benchmark for supplier collaboration within our industry. Please accept our heartfelt gratitude for your continued support. We look forward to further strengthening our association and achieving new milestones together.



9-9-2025

Mark Jonaitis
Senior Vice President

Appreciation letter from customer



EMPLOYEE ENGAGEMENT



Celebrating World Environment Day on 5 June 25

Open House conducted in Sep 2025.



Cricket Tournament – KPML Premier League 2026 was held on 18 January 2026.



EMPLOYEE ENGAGEMENT - WORLD ENVIRONMENT DAY



Quality Month Celebration held on Nov 2025.



Ganpati Festival Celebration



CSR ACTIVITIES



40 benches were donated to Yashvantrao Chavan Vidyalay, Yashvantnagar, Karad on 09 September 2025



60 benches were donated to Balvidhyamandir School, Ogalewadi, Karad on 13 January 2026

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

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Karad Projects and Motors Limited (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2026, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to standalone the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2026, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of matter

We draw attention to Note 39 of the Standalone Financial Statements, which describes the scheme of amalgamation (Merger by Absorption) ('Scheme') per the procedure laid down in Appendix C to Ind AS 103 "Business Combinations" between the wholly owned subsidiary of the Company, The Kolhapur Steel Limited ('TKSL'), ('Transferor Company') and Karad Projects and Motors Limited ('KPML'), ('Transferee Company') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, which inter alia, provides for amalgamation of the Company on a going concern basis was approved by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'). The requisite certified order of the Hon'ble NCLT has been pronounced on 03 November 2025 with an appointed date 03 October 2024. The scheme becomes effective upon filing of the order with the Registrar of Companies on 05 December 2025.

Consequently, the Transferor Company merged into the Company with effect from the appointed date of 03 October 2024

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

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

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



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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

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

- A. Identify and assess the risks of material misstatement of the 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.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act; as amended
 - e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With reference to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above and refer to our paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements;
 - 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, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - i) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - refer note no. 27 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026.
 - iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 48(a), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 48(b), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the previous year, the Company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.
- vi. Based on our examination which included test checks, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level at the Enterprise Resource Planning System (SAP) to log any direct data changes. Also, in respect of maintenance of property, plant and equipment and inventory valuation of WIP records for foundry operations, wherein the accounting software did not have audit trail feature enabled throughout the year. Further, during the course of our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with.

Furthermore, the Company uses services of a third-party service provider for salary processing and in the absence of Service Organisation Control Type 2 Report/ISAE 3402, "Assurance Reports on Control at a Service Organisation", specifically covering the maintenance of audit trail at database level, we are unable to comment whether audit trail feature for the payroll accounting software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with. Refer note no. 50 to the standalone financial statements.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention other than the consequential impact of exceptions given above.

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

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 26047751IVAIMR1394

Pune, 27 April 2026

Annexure A to the Independent Auditor's Report

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

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

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except in respect of all immovable properties of the Transferor Company transferred pursuant to the scheme of amalgamation, the title deeds are in the process of being updated in the name of the Company.
- (d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. These quarterly returns/ statements are in agreement or have been reconciled with the books of account. Further it was explained that the compilation of quarterly return for March 2026 was under process.
- (iii) The Company has not made investments or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses (a), (b),(c), (d), (e), (f) under paragraph 3(iii) of the Order are not applicable
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, prima facie; the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.
- (vii) In respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. There are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable except disclosed below:

| Name of Statute | Nature of dues | Amount INR Lakhs | Period to which the amount relates | Due Date | Remarks if any |
|--|---|---------------------|---------------------------------------|-------------------|-------------------|
| Employee State Insurance Corporation Act, 1948 | (Contribution of employer and employee) | 0.07 | 2021-22 | 15-10-2021 | Refer note 1 |
| Local Sales Tax of Various States | VAT | 23.11 | 2007-08,2008-09 | Various due dates | Refer note 2 |
| | | 7.70 | 2007-08,2009-10 & 2010-11 | | |

Note 1: Amount is unpaid due to delayed registration and non-generation of challan, the matter is under follow-up with the department.

Note 2: Will get crystalized on their respective assessments.

- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2026, on account of dispute are given below:

| Name of Statute | Nature of dues | Amount involved INR Lakhs | Amount unpaid INR Lakhs | Period to which amount Relates | Forum where Dispute is Pending |
|----------------------------------|--|---------------------------------|----------------------------|------------------------------------|--|
| Gujrat VAT | Sales Tax, CST, VAT, WCT (including interest, penalty etc. if any) | 53.28 | 53.28 | 2006-07 | Dy. Comm. Sales Tax Appeals |
| Central Excise Act, 1944 | (Tax including interest, penalty etc. if any) | 29.92 | 17.86 | 1986-87, 2002-03 and 2007-08 | CESTAT |
| The Income Tax Act, 1961 | (Tax including interest, penalty etc. if any) | 267.60 | 267.60 | 2006-07, 2017-18, 2018-19, 2021-22 | Dy. Comm Income Tax |
| Goods and Services Tax Act, 2017 | GST | 39.11 | 39.11 | FY 2017-18 and FY 2018-19 | Appeal filed before commissioner central tax |
| Total | | 389.91 | 377.85 | | |

- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) We report that the Company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) No additional term loans availed by the Company during the year, Accordingly, reporting under para 3(ix)(c) is not applicable.
- (d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Accordingly, reporting under para 3(ix)(e) is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under para 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the

Central Government.

- (c) No whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS. (Refer note no. 33 to the standalone financial statement.)
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business
(b) We have considered, the internal audit reports issued during the year.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.
(d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting on para 3(xvii) of the order is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
(b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act, except in respect of the following :

| Financial year | Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects" | Amount Transferred to Special Account within 30 days from the end of the Financial Year | Amount Transferred after the due date (specify the date of transfer) |
|----------------|---|---|--|
| (a) | (b) | (c) | (d) |
| FY 2025-26 | Rs. 37.09 Lakhs | Rs. 37.09 Lakhs | - |

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

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 26047751IVAIRM1394

Pune, 27 April 2026



Annexure B to the Independent Auditor's Report

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

Report on the Internal Financial Controls

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

Opinion

We have audited the internal financial controls with reference to the financial statements of **Karad Projects and Motors Limited** (hereinafter referred as "the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2026, based on the internal financial control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Managements and Board of Directors responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

Meaning of internal financial controls with reference to the financial statements

A Company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements 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 standalone 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 standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration no. 109983W

by the hand of

CA Pramod Bhise

Partner

Membership no.(F) 047751

UDIN : 26047751IVAIMR1394

Pune, 27 April 2026

Balance Sheet as at 31st March 2026

(INR in Lakhs)

| Particulars | Note No. | As at 31 March 2026 | As at 31 March 2025 |
|---------------------------------------|----------|---------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 5,485.27 | 5,724.50 |
| Capital work-in-progress | 3A | 1,272.54 | 62.29 |
| Other intangible assets | 3 | 11.75 | 56.68 |
| Right to use assets | 4 | 879.80 | 139.08 |
| Financial assets | | | |
| Investments | 5 | 90.24 | 1,090.24 |
| Other financial assets | 7 | 149.93 | 404.52 |
| Deferred tax assets (net) | 8 | 379.74 | 322.98 |
| Other non-current assets | 9 | 186.64 | 95.34 |
| Total non-current assets | | 8,455.91 | 7,895.63 |
| Current assets | | | |
| Inventories | 10 | 9,327.71 | 6,326.50 |
| Financial assets | | | |
| Investments (CA) | 5 | 763.37 | 5,033.75 |
| Trade receivables | 6 | 19,128.52 | 13,670.38 |
| Cash and cash equivalents | 11 | 918.94 | 714.77 |
| Other bank balances | 11A | - | 2,160.17 |
| Other financial assets (CA) | 7 | 1,394.90 | 260.94 |
| Current tax assets (net) | 8 | 2,742.33 | 505.17 |
| Other current assets | 9 | 3,165.25 | 1,627.76 |
| Asset Held for Sale | 3B | 532.13 | 530.94 |
| Total current assets | | 37,973.15 | 30,830.38 |
| TOTAL ASSETS | | 46,429.06 | 38,726.01 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 1,395.25 | 1,395.25 |
| Other equity | 13 | 23,563.54 | 16,192.20 |
| Total equity | | 24,958.79 | 17,587.45 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 14 | 194.32 | 449.78 |
| Lease liabilities | 46 | 120.48 | 96.68 |
| Other financial liabilities | 16 | 286.00 | 404.05 |
| Provisions (NC) | 17 | 314.21 | 793.84 |
| Total non-current liabilities | | 915.01 | 1,744.35 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 14 | 642.65 | 929.67 |
| Lease liabilities (CL) | 46 | 72.26 | 54.65 |
| Trade payables | 15 | | |
| - Micro, small and medium enterprises | | 3,617.25 | 1,506.39 |
| - Others | | 5,815.98 | 12,212.54 |
| Other financial liabilities (CL) | 16 | 1,268.25 | 1,195.94 |
| Other current liabilities | 18 | 7,211.17 | 2,262.46 |
| Provisions (CL) | 17 | 1,927.70 | 1,232.56 |
| Current tax liabilities (net) | | | |
| Total current liabilities | | 20,555.26 | 19,394.21 |
| Total liabilities | | 21,470.27 | 21,138.56 |
| TOTAL EQUITY AND LIABILITIES | | 46,429.06 | 38,726.01 |

Corporate information

Summary of material accounting policies

See accompanying notes to financial statements

The accompanying notes 1 to 51 form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants

(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune : 27 April 2026

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3-51

For and on behalf of the Board of Directors

ACHYUT DHADPHALE

Chairman

(DIN 07172828)

SUCHITRA DESHMUKH

Chief Financial Officer

Pune : 27 April 2026

RAVINDRA SAMANT

Managing Director

(DIN: 07002226)

AMIT SHUKLA

Company Secretary

Pune : 27 April 2026



Statement of profit and loss for the period ended 31st March 2026

(INR in Lakhs)

| Particulars | Note No. | Year ended 2025-26 | Year ended 2024-25 |
|---|----------|--------------------|--------------------|
| Income | | | |
| Revenue from operations | 19 | 68,723.98 | 60,188.94 |
| Other income | 20 | 1,094.75 | 1,685.95 |
| Total Income | | 69,818.73 | 61,874.89 |
| Expenses | | | |
| Cost of materials consumed | 21A | 48,596.61 | 42,836.24 |
| Purchases of stock-in-trade | 21A | 32.48 | 79.46 |
| Changes in inventories of finished goods, stock-in -trade and work-in-progress | 21B | (850.84) | (862.57) |
| Employee benefits expense | 22 | 3,811.35 | 3,549.90 |
| Finance costs | 23 | 274.79 | 379.31 |
| Depreciation and amortization expenses | 24 | 1,064.57 | 969.81 |
| Other expenses | 25 | 11,019.07 | 9,366.61 |
| Total expenses | | 63,948.03 | 56,318.76 |
| Profit before exceptional items and tax | | 5,870.70 | 5,556.13 |
| Exceptional items (Income) | 26A | (251.30) | 162.26 |
| Profit before tax | | 6,122.00 | 5,393.87 |
| Tax expenses | 8 | | |
| (1) Current tax | | 524.88 | 1,825.00 |
| (2) (excess)/short provision for earlier year | | (1,783.11) | 32.65 |
| (3) Deferred tax | | (40.25) | 70.86 |
| Total Tax expense | | (1,298.48) | 1,928.51 |
| Profit after tax for the year | | 7,420.48 | 3,465.36 |
| Other comprehensive income | 26B | | |
| Items that will not be reclassified to profit or (loss) | | (65.67) | (7.64) |
| Income tax relating to items that will not be reclassified to profit or (loss) | | 16.53 | 1.92 |
| | | - | - |
| Total other comprehensive income | | (49.14) | (5.72) |
| Total comprehensive income for the year (comprising of profit for the year and other comprehensive income for the year) | | 7,371.34 | 3,459.64 |
| Earnings per equity share (In Rs.) | 30 | | |
| (1) Basic | | 53.18 | 24.84 |
| (2) Diluted | | 53.18 | 24.84 |

Corporate information

Summary of material accounting policies

See accompanying notes to financial statements

The accompanying notes 1 to 51 form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants

(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune : 27 April 2026

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3-51

For and on behalf of the Board of Directors

ACHYUT DHADPHALE

Chairman

(DIN 07172828)

SUCHITRA DESHMUKH

Chief Financial Officer

Pune : 27 April 2026

RAVINDRA SAMANT

Managing Director

(DIN: 07002226)

AMIT SHUKLA

Company Secretary

Pune : 27 April 2026



Statement of Cash Flows for the year ended 31st March 2026

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| A. Cash flow from operating activities | | |
| Net profit before tax | 6,122.00 | 5,393.87 |
| Adjustments for: | | |
| 1 Loss / (profit) on sale of property, plant and equipment-(net) | (16.37) | (57.07) |
| 2 Bad Debts / Provision for doubtful debts and advances (net) | 18.69 | 69.85 |
| 3 Excess provision / creditors written back (including advances)" | (423.16) | (862.05) |
| 4 Unrealised foreign exchange (gain) / loss (net) | 23.41 | -0.10 |
| 5 Profit on sales of mutual fund | (121.75) | (123.93) |
| 6 Unrealised (gain) / loss on mutual fund investments | (2.88) | (12.57) |
| 7 Depreciation and amortisation | 1,064.57 | 969.81 |
| 8 Interest earned | (396.89) | (582.03) |
| 9 Interest on lease | 16.21 | 16.81 |
| 10 Dividend received | 0.01 | 0.01 |
| 11 Finance cost | 88.86 | 122.76 |
| Operating profit before working capital changes | 6,372.70 | 4,935.36 |
| Adjustments for :- | | |
| Changes in working capital | | |
| 1 (Increase) /decrease in trade receivables | (5,500.24) | (139.71) |
| 2 (Increase)/decrease in inventories | (3,001.20) | (1,392.55) |
| 3 (Increase)/decrease in other non-current assets | 8.06 | 57.57 |
| 4 (Increase)/decrease in non-current financial assets-others | 17.74 | 72.32 |
| 5 (Increase)/decrease in current financial assets-others | 1,026.22 | (2,420.06) |
| 6 (Increase)/decrease in other current assets | (1,537.49) | (1,397.05) |
| 7 Increase/(decrease) in other non current financial liabilities | (118.05) | (31.07) |
| 8 Increase/(decrease) in trade payables | (3,862.54) | 78.85 |
| 9 Increase/(decrease) in other current financial liabilities | 72.31 | 234.24 |
| 10 Increase/(decrease) in other current liabilities | 4,948.72 | 479.52 |
| 11 Increase/(decrease) in long term provisions | 629.47 | (60.28) |
| 12 Increase/(decrease) in short term provisions | (479.63) | (619.22) |
| Cash (used) in / generated from operations | (1,423.93) | (202.08) |
| 9 Direct taxes paid (including taxes deducted at source), net of refunds | (978.93) | (1,812.98) |
| Net cash (used) in/generated from operating activities | (2,402.86) | (2,015.06) |
| B. Cash flow from investing activities | | |
| 1 Purchase of property, plant and equipment and intangible assets (including right to use assets as per IND AS 116) | (2,729.96) | (993.92) |
| 2 Net addition to investments in Fixed Deposit | - | 2,614.75 |
| 3 Purchase of investment | 5,273.26 | 2,039.86 |
| 4 Proceeds from sale of property, plant and equipment | 20.06 | 57.07 |
| 5 Interest received on investments | 396.89 | 582.03 |
| 6 Proceed from Sales of Investment | 358.60 | 123.93 |
| 7 Increase / (Decrease) in Loan given | - | 250.00 |
| 8 Dividend received on investments | 0.01 | 0.01 |
| Net cash (used) in/generated from investment activities | 3,318.86 | 4,673.73 |



Statement of Cash Flows for the year ended 31st March 2026 - Cont...

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| C. Cash flow from financing activities | | |
| 1 Payment of dividend and tax their on | - | - |
| 2 Interest paid | (88.85) | (122.74) |
| 3 Lease Payment | (80.47) | - |
| 4 Borrowings | (542.47) | (1,113.23) |
| Net cash (used) in /generated from financing activities | (711.79) | (1,235.97) |
| Unrealized exchange gain/(loss) in cash and cash equivalents" | - | - |
| Net increase/(decrease) in cash and cash equivalents | 204.16 | 1,422.68 |
| 1 Adjustment of reserves Pursuant to amalgamation of TKSL with the Company (refer note 2.2) | 0.01 | (1,110.57) |
| 2 Cash & cash equivalents at beginning of year | 714.77 | 402.66 |
| 3 Cash & cash equivalents at end of year (Refer Note 11) | 918.94 | 714.77 |

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

There are no reconciliation items in relation to investing activities, refer Note 49 for financing activity which is disclosed as per Ind AS 7.

Refer note 41 for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

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

Pramod Bhise

Partner
Membership No: (F) - 047751
Pune : 27 April 2026

For and on behalf of the Board of Directors

ACHYUT DHADPHALE

Chairman
(DIN 07172828)

SUCHITRA DESHMUKH

Chief Financial Officer

Pune : 27 April 2026

RAVINDRA SAMANT

Managing Director
(DIN: 07002226)

AMIT SHUKLA

Company Secretary

Pune : 27 April 2026



Statement of Changes in Equity for the year ended 31st March 2026

A. Equity Share Capital

(INR in Lakhs)

| Balance as at 1 April 2025 | Changes in equity share capital during the year | Balance as at 31 March 2026 |
|----------------------------|---|-----------------------------|
| 1,395.25 | - | 1,395.25 |
| Balance as at 1 April 2024 | Changes in equity share capital during the year | Balance as at 31 March 2025 |
| 1,395.25 | - | 1,395.25 |

B. Other Equity

| | Reserves and Surplus | | | | Total |
|--|----------------------|----------------------------|-----------------|-------------------|------------------|
| | Capital Reserve | Securities Premium Reserve | General reserve | Retained Earnings | |
| Balance as on 1 April 2024 | 179.08 | 2,982.23 | 140.94 | 18,895.34 | 22,197.59 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | 179.08 | 2,982.23 | 140.94 | 18,895.34 | 22,197.59 |
| Pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | 0.02 | 25.24 | 78.28 | (9,568.57) | (9,465.03) |
| Adjustment in current year profit pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | - | - | - | (899.56) | (899.56) |
| Profit for the year | - | - | - | 4,359.20 | 4,359.20 |
| Other comprehensive income | - | - | - | - | - |
| Dividend | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - |
| Any other change | - | - | - | - | - |
| Balance as on 31 March 2025 | 179.10 | 3,007.47 | 219.22 | 12,786.41 | 16,192.20 |
| Balance as on 1st April 2025 | 179.10 | 3,007.47 | 219.22 | 12,786.41 | 16,192.20 |
| Profit for the year | | | | 7,420.48 | 7,420.48 |
| Other comprehensive income | | | | (49.14) | (49.14) |
| Dividends | | | | - | - |
| Transfer to retained earnings | | | | | |
| Any other change | | | | | |
| Balance as on 31st March 2026 | 179.10 | 3,007.47 | 219.22 | 20,157.75 | 23,563.54 |

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants
(ICAI Firm Regn. No. 109983W)**Pramod Bhise**Partner
Membership No: (F) - 047751
Pune : 27 April 2026

For and on behalf of the Board of Directors

ACHYUT DHADPHALEChairman
(DIN 07172828)**SUCHITRA DESHMUKH**

Chief Financial Officer

Pune : 27 April 2026

RAVINDRA SAMANTManaging Director
(DIN: 07002226)**AMIT SHUKLA**

Company Secretary

Pune : 27 April 2026



Notes to Accounts

Material Accounting Policies

Notes to the financial statements for the year ended 31 March 2026

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

1. Corporate information

Karad Projects and Motors Limited (KPML) is a public company domiciled in India and incorporated under the provisions of the Indian Companies Act. KPML, a wholly owned subsidiary of Kirloskar Brothers Limited, engaged in manufacturing of wound stators, die-cast, stator/rotor stacks, electric motors, pumps, mild steel and stainless steel castings for various industries like power sector, pump and valve, mining, cement, etc.

2. Material accounting policies

2.1 Basis of preparation

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

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

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

2.2 Scheme of amalgamation

The accompanying financial statements have been prepared after giving effect to the merger of The Kolhapur Steel Limited (“TKSL” or “Transferor Company”) with Karad Projects and Motors Limited (“KPML” or “Transferee Company”) pursuant to the Scheme of Merger approved by the Hon’ble National Company Law Tribunal (“NCLT”) under Sections 230–232 of the Companies Act, 2013. The NCLT order dated 03 November 2025, was received on 17 November 2025. The Order was filed with the Registrar of Companies, on 05 December 2025, Consequently Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound up.

In accordance with Appendix C to Ind AS 103 – Business Combinations, the merger has been accounted for using the pooling of interest method. As required under the Scheme and applicable Ind AS, the assets, liabilities and other equity balances of the Transferor Company, after elimination of inter-company balances and transactions, have been recorded at their respective carrying values as at the Appointed Date, i.e., 03 October 2024.

These financial statements present the financial results of the combined entity from the Appointed Date. Consequently, the previous-year figures are not comparable with those of the current year due to the effect of the amalgamation.

The financial statements have been prepared on a going-concern basis, and the accounting policies applied are consistent with those followed by the Transferee Company prior to the merger, except where changes have been necessitated in accordance with Ind AS or the Scheme.

2.2 Basis of measurement

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

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

2.3 Current or non-current classification

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

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



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2.4 Functional and presentation currency

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

2.5 Use of judgements estimates and assumptions.

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from these estimates.

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 32)
- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 34)
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 36)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 34)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilized (Refer note 8)
- Revenue recognition – Variable consideration such as discounts, rebates is recognized considering historical trend of payout as adjusted for any amendment in rebate scheme.
- Estimated useful life of intangible assets - Refer note 2.10 Intangible asset and amortization

2.6 Inventories

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

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

Based on ageing of inventory and it's future potential to generate economic benefit, company provides for



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slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

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

2.7 Cash and cash equivalents

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

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

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

2.8 Statement of Cash Flows

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

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

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

2.9 Property, plant and equipment (PPE)

Measurement

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

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

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

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

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

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

Subsequent costs

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

Disposal

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



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Depreciation

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

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions to/deductions from owned assets is calculated pro rata to the period of use. Further, extra shift depreciation is provided wherever applicable. Depreciation charge for impaired assets if any is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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

Life of assets considered:-

| Particulars | Life |
|----------------------------------|---------------|
| Solar System | 20 Years |
| Solar Inverter | 5 Years |
| Stamping Tools | 3 Years |
| Equipment used for Mat. Handling | 5 Years |
| Pattern , Tools and Tackles | 3 and 8 Years |
| Computer | 3 and 6 Years |

Assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is expected to be recovered principally through a sale rather than continued use, and the sale is highly probable within 12 months.

Such assets are measured at the lower of carrying amount and fair value less costs to sell and are presented separately in the Balance Sheet. Depreciation ceases once classified as held for sale. Subsequent impairments or reversals are recognized in the Statement of Profit and Loss. If the sale is no longer probable, the asset is reclassified and measured at the lower of its recoverable amount and the carrying amount as if it had not been classified as held for sale.

2.10 Intangible assets

Recognition and measurement

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

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

Subsequent measurement

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

Amortisation

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



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The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised over the period of three years.

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

2.11 Revenue recognition

Company recognizes revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

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

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

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Rendering of services

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

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

2.12 Other income

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

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

2.13 Foreign currencies transactions

Transactions and balances

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

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

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

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2.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

Other long-term employee benefit

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

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

2.15 Income taxes

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

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Current tax

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

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

Deferred tax

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

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

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

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

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

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

2.16 Provisions

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

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

Warranty provisions

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

Provision for decommissioning and site restoration

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

Contingent liabilities

Contingent liability is disclosed when,

- Company has a present obligation arising from past events, when it is not probable that an outflow of resources



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will be required to settle the obligation; or

- Present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

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

2.17 Leases

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

- **Company as a lessee**

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

Initial Measurement

Right to use asset

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

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

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the lessee; and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability:

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

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

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

Subsequent measurement

Right to use assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line



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basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

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

2.18 Impairment of non-financial assets

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

Impairment losses are recognised in the statement of profit and loss.

2.19 Fair value measurement

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

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

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

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

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

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

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

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

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2.20 Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets are subsequently measured at amortised cost if,

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

Derecognition

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

Impairment of financial asset

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

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

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

- Trade receivables or contract revenue receivables; and

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- All lease receivables resulting from transactions within the scope of Ind AS 116

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

Financial liabilities

Initial recognition and measurement

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

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

Derecognition

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

Offsetting of financial instruments

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

2.21 Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. If it is antidilutive, it is ignored

2.22 Segment reporting

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

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

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

2.23 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

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In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements. In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The company has no impact of these amendments in its classification criteria of current and non-current liabilities.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

2.24 Finance costs

Finance costs comprise of interest expense on borrowings, and foreign currency loss on financial assets and liabilities. Interest expenditure is recognized as it accrues in the statement of profit and loss, using the effective interest method.

2.25 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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Note 3: Property, Plant and Equipment and Intangible Assets

(INR in Lakhs)

| Particulars | Tangible Assets | | | | | | | | | | Intangible Assets | | Total | |
|--|-----------------|-----------------|-----------------|-------------------|----------------------|------------------|---------------|---------------|------------------|--------------------|-------------------|--|-------|--|
| | Land free hold | Land Lease hold | Buildings | Plant & Equipment | Furniture & Fixtures | Office equipment | Vehicles | Computers | Total Tangible | Computer Softwares | Total | | | |
| Gross Block | | | | | | | | | | | | | | |
| As at 1 April 2024 | 1.26 | 79.73 | 1,351.39 | 8,083.53 | 204.68 | 88.35 | 148.47 | 109.87 | 10,067.28 | 203.83 | 10,271.11 | | | |
| Additions | - | - | 65.28 | 739.92 | 50.75 | 31.40 | - | 81.65 | 969.00 | 10.51 | 979.51 | | | |
| Pursuant to amalgamation of TKSL with the Company (refer note 2.2) | 724.13 | - | 956.09 | 2,245.37 | 8.73 | 17.07 | 21.24 | 50.76 | 4,023.39 | 37.85 | 4,061.24 | | | |
| Disposals | - | - | - | 220.78 | - | - | - | 5.00 | 225.78 | - | 225.78 | | | |
| As at 31 March 2025 | 725.39 | 79.73 | 2,372.76 | 10,848.04 | 264.16 | 136.82 | 169.71 | 237.28 | 14,833.89 | 252.19 | 15,086.08 | | | |
| Additions | 3.63 | - | 17.95 | 651.38 | 0.96 | 1.10 | - | 5.40 | 680.42 | 4.21 | 684.63 | | | |
| Disposals | - | - | 2.25 | 69.88 | - | 2.19 | - | 14.99 | 89.31 | - | 89.31 | | | |
| As at 31st March 2026 | 729.02 | 79.73 | 2,388.46 | 11,429.54 | 265.12 | 135.73 | 169.71 | 227.69 | 15,425.00 | 256.40 | 15,681.40 | | | |
| Depreciation/ Amortisation | | | | | | | | | | | | | | |
| As at 1 April 2024 | - | 18.57 | 468.23 | 5,783.76 | 105.84 | 60.84 | 42.15 | 95.67 | 6,575.06 | 114.64 | 6,689.70 | | | |
| Charge for the year | - | 0.84 | 68.84 | 645.19 | 20.65 | 12.07 | 18.67 | 20.04 | 786.30 | 46.30 | 832.60 | | | |
| Pursuant to amalgamation of TKSL with the Company (refer note 2.2) | - | - | 258.58 | 1,615.33 | 5.42 | 16.59 | 20.88 | 47.57 | 1,964.37 | 34.57 | 1,998.94 | | | |
| Depreciation on disposal | - | - | - | 211.34 | - | - | - | 5.00 | 216.34 | - | 216.34 | | | |
| As at 31 March 2025 | - | 19.41 | 795.65 | 7,832.94 | 131.91 | 89.50 | 81.70 | 158.28 | 9,109.39 | 195.51 | 9,304.90 | | | |
| Charge for the year | - | 0.84 | 93.15 | 733.47 | 22.77 | 14.00 | 18.33 | 33.38 | 915.94 | 49.14 | 965.08 | | | |
| Depreciation on disposal | - | - | 2.02 | 66.40 | - | 2.19 | - | 14.99 | 85.60 | - | 85.60 | | | |
| As at 31st March 2026 | - | 20.25 | 886.78 | 8,500.01 | 154.68 | 101.31 | 100.03 | 176.67 | 9,939.73 | 244.65 | 10,184.38 | | | |
| Net block | | | | | | | | | | | | | | |
| As at 31st March 2026 | 729.02 | 59.48 | 1,501.68 | 2,929.53 | 110.44 | 34.42 | 69.68 | 51.02 | 5,485.27 | 11.75 | 5,497.02 | | | |
| As at 31 March 2025 | 725.39 | 60.32 | 1,577.11 | 3,015.10 | 132.25 | 47.32 | 88.01 | 79.00 | 5,724.50 | 56.68 | 5,781.18 | | | |

Notes:

- The lease term in respect of assets acquired under finance lease expires in 95 years. Company has paid the lumpsum consideration to MIDC at the time of inception of lease. Under the terms of lease, the company has option to renew the agreement for further period of 95 years.
- During the year no provision envisaged for impairment loss.
- Refer note 28 for estimated amount of contracts remaining to be executed on capital account and not provided for.
- Company has not revalued any property, plant and equipment during the FY 2025-26 and FY 2024-25
- All title deeds of immovable properties are held in the name of company except property of TKSL is in process of changing of name.
- Company does not hold any Benami property.



Notes to Accounts (Contd.)

Note 3: Contd..

(INR in Lakhs)

3A) Capital Work in Progress (CWIP)

CWIP Aging Schedule as on 31 March 2026

| CWIP | Amount in CWIP for a Period of | | | | Total |
|--------------------------------|--------------------------------|------------|-----------|-------------------|----------|
| | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 Years | |
| Project in Progress | 1,272.54 | - | - | - | 1,272.54 |
| Projects temporarily suspended | - | - | - | - | - |

Note: CWIP comprise plant and machineries Rs 35.72 Lakh at Karad Plants and Building at Karad Rs 837.98 Lakh and Plot Development Rs. 398.84 Lakh at Goa Plant

CWIP Aging Schedule as on 31 March 2025

| CWIP | Amount in CWIP for a Period of | | | | Total |
|--------------------------------|--------------------------------|------------|-----------|-------------------|-------|
| | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 Years | |
| Project in Progress | 62.29 | - | - | - | 62.29 |
| Projects temporarily suspended | - | - | - | - | - |

Note: CWIP comprise plant and machineries Rs 60.41 Lakh at Karad Plants and Rs. 1.88Lakh at Goa Plant.

3B) Asset Held for Sale

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---------------------|-----------------------|-----------------------|
| Asset Held for Sale | 532.13 | 530.94 |

The company has irrevocably agreed to sell ,convey, transfer and assign all the pieces and parcels of the land admeasuring area of 36,421.70 Sq. mtr to Kirloskar Brothers Limited (Holding Company) through Agreement to sale against which company has received an amount of Rs.137 Lakhs as a token amount. Accordingly as per Ind As-105 "Non current Asset held for sale and Discontinued Operations"- the said portion of land and building thereon is classified as current asset held for sale Balance Sheet.





Notes to Accounts

Note 6: Financial assets: Trade receivables

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| Current | | |
| 1) Trade receivable | | |
| From related parties | 14,356.01 | 10,413.66 |
| From others | 4,772.51 | 3,256.72 |
| Unsecured, considered good (TR) | 19,128.52 | 13,670.38 |
| Doubtful | 187.09 | 229.73 |
| | 19,315.61 | 13,900.11 |
| Less : Provision for significant increase in credit risk and credit impaired receivables | 187.09 | 229.73 |
| Total trade receivables | 19,128.52 | 13,670.38 |

Notes:

- (a) Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days. Refer note 38 for ageing and 38 for movement in loss allowance.
- (b) No trade or other receivable or loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivable Ageing Schedule- as on 31.03.2026

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|--------------------|---------------|--------------|----------------------|------------------|
| | Not Due | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables- Considered good | 17,966.81 | 1,120.38 | 41.17 | 0.16 | - | - | 19,128.52 |
| (ii) Undisputed Trade Receivables - Considered Doubtful | - | 0.13 | 0.10 | 0.28 | 112.64 | 73.94 | 187.09 |
| (iii) Disputed Trade Receivables - Considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Doubtful | - | - | - | - | - | - | - |
| Less:- Provision for doubtful debts | - | - | - | (0.51) | (112.64) | (73.94) | (187.09) |
| Total | 17,966.81 | 1,120.51 | 41.27 | (0.07) | - | - | 19,128.52 |



Notes to Accounts

Trade Receivable Ageing Schedule- as on 31.03.2025

(INR in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-----------------|--------------|-------------|-------------------|------------------|
| | Not Due | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables- Considered good | 13,227.73 | 408.57 | 16.72 | 16.33 | 1.03 | - | 13,670.38 |
| (ii) Undisputed Trade Receivables- Considered Doubtful | | | | 137.49 | 4.30 | 87.94 | 229.73 |
| (iii) Disputed Trade Receivables- Considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- Considered Doubtful | - | - | - | - | - | - | - |
| Less:- Provision for doubtful debts | - | - | - | (137.49) | (4.30) | (87.94) | (229.73) |
| Total | 13,227.73 | 408.57 | 16.72 | 16.33 | 1.03 | - | 13,670.38 |

Note 7: Financial assets: Other financial assets

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|---------------------|---------------------|
| Non-Current | | |
| (a) Security deposit Unsecured, considered good | 129.43 | 116.36 |
| (b) Fixed deposits with banks of maturity of more than 12 months | 20.50 | 257.35 |
| (c) Interest accrued | - | 30.81 |
| | 149.93 | 404.52 |
| Current | | |
| (a) Security deposit (CA) Unsecured, considered good | 1.05 | 1.05 |
| (b) Claims receivable Unsecured, considered good | - | 0.53 |
| (c) Fixed deposits with banks of remaining maturity of less than 12 months | 1,338.10 | - |
| (d) Interest accrued | 55.75 | 242.92 |
| (e) Other | - | 16.44 |
| | 1,394.90 | 260.94 |
| Total other financial asset | 1,544.83 | 665.46 |



Notes to Accounts

Note 8: Tax Expenses

The major components of income tax expense for the years ended 31 March 2026;

Statement of Profit and Loss

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| Current income tax: | | |
| Current income tax charge | 524.88 | 1,825.00 |
| Adjustments in respect of current income tax of previous year and Interest provision | (1,783.11) | 32.65 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences MAT utilization for earlier years | (40.25) | 70.86 |
| Income tax expense reported in the statement of profit or loss | (1,298.48) | 1,928.51 |

Other Comprehensive Income

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

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|-----------------------------------|-----------------------------|-----------------------------|
| Net loss/(gain) on remeasurements | (16.53) | (1.92) |
| Income tax charged to OCI | (16.53) | (1.92) |



Notes to Accounts

(INR in Lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2026 and 31 March 2025

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| Accounting profit before tax | 6,122.00 | 5,393.87 |
| At statutory income tax rate of 25.168% (PY 25.168%) (a) | 1,540.80 | 1,357.53 |
| Adjustments | | |
| Less: tax rate difference (25.168%-29.12%) | - | - |
| Subtotal (b) | - | - |
| Less: Deferred tax credit having no effect on MAT Deferred tax on timing difference not having effect on MAT | - | - |
| Subtotal (c) | - | - |
| Add/Less : Other differences | | |
| Due to effect on tax on OCI, and others MAT disallowances and STCG tax rate difference | 16.53 | 1.92 |
| Subtotal (d) | 16.53 | 1.92 |
| Less: MAT entitlement for earlier years & other credits of earlier years (e) | (1,783.11) | 32.65 |
| Add: Effect on tax due to permanent differences (f) | 93.30 | 4.31 |
| Add/Less: Difference in deferred tax creation and claim of expenditure in computation (g) | (1,166.00) | (3,324.92) |
| Less: Set off of carry forward losses for which DTA was not recognised (h) | - | - |
| Adjustment pursuant to amalgamation of TKSL with the Company (refer note 2.2) | - | - |
| Sub total (i) = (b+c+d+e+f+g+h) | (2,839.28) | (3,286.04) |
| Total (j)=(a+i) | (1,298.48) | (1,928.51) |
| Tax expenses/(income) recorded in books | (1,298.48) | 1,928.51 |

Movement of Deferred tax

Balance Sheet

| Deferred tax relates to the following: DTL/ (DTA) | 31 March 2026 | 31 March 2025 |
|---|-----------------|-----------------|
| Property, plant and equipment (depreciation) | (121.74) | 74.92 |
| Employee benefits - compensated absences /gratuity | (23.15) | (152.97) |
| Unrealise income on investment | - | 3.32 |
| Employee benefits - VRS | - | - |
| Provision for doubtful debts and advances | (28.48) | (57.82) |
| Adjustment of reserves Pursuant to amalgamation of TKSL with the Company (refer note 2.2) | (229.90) | - |
| Deferred tax asset (Section 43B/40A) | 23.53 | (190.42) |
| MAT Entitlement | | |
| Deferred tax expense/(income) | | |
| Net deferred tax (assets)/liabilities | (379.74) | (322.98) |



Notes to Accounts

Statement of profit and loss & OCI

(INR in Lakhs)

| Deferred tax relates to the following: DTL/ (DTA) | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| Property, plant and equipment (depreciation) | (140.18) | 17.24 |
| Employee benefits - compensated absences /gratuity | 52.51 | (18.14) |
| Unrealise income on investment | - | (3.32) |
| Provision for doubtful debts and advances | (9.87) | 19.88 |
| Adjustment pursuant to amalgamation of TKSL with the Company (refer note 2.2) | (229.90) | - |
| Deferred Tax Asset (Section 43B/40A) | 270.67 | (84.58) |
| MAT Entitlement | - | - |
| Deferred tax expense/(income) | (56.77) | (68.94) |

Reflected in balance sheet as

1) Deferred tax

| | 31 March 2026 | 31 March 2025 |
|-----------------------------------|-----------------|-----------------|
| Deferred tax asset | (258.00) | (341.42) |
| MAT entitlement for earlier years | - | - |
| Deferred tax liability | (121.74) | 18.44 |
| Net deferred tax asset | (379.74) | (322.98) |

2) Current tax

| Particulars | 31 March 2026 | 31 March 2025 |
|--------------------------|---------------|---------------|
| Current tax assets (net) | 2,742.33 | 505.17 |

Statement of profit and loss

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Current tax (asset)/liability as at beginning of the year | (2,330.17) | (526.32) |
| Add: Additional provision during the year | | |
| - Statement of profit and loss account | (1,258.23) | 32.65 |
| Less: Current tax paid during the year (including previous year TDS and net of refund previous year) | 978.93 | 1,836.50 |
| Current tax(asset)/liability as at end of the year | (4,567.33) | (2,330.17) |



Notes to Accounts

Note 9 : Other assets

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|-------------------------------------|------------------------|------------------------|
| <u>Non-Current</u> | | |
| (a) Capital advances | | |
| Unsecured, considered good | 128.19 | 28.83 |
| (b) Prepaid expenses | 10.02 | 18.11 |
| (c) Claims receivable | 48.43 | 48.40 |
| | 186.64 | 95.34 |
| <u>Current</u> | | |
| (a) Advances to supplier and others | | |
| Unsecured, considered good (CA) | 2,518.68 | 1,045.84 |
| (b) Prepaid expenses (CA) | 137.13 | 89.29 |
| (c) Claims receivable (CA) | 509.44 | 492.63 |
| | 3,165.25 | 1,627.76 |
| Total other assets | 3,351.89 | 1,723.10 |

Note 10 : Inventories

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------------|------------------------|------------------------|
| (i) Raw materials | 5,270.60 | 3,101.20 |
| (ii) Finished goods* | 923.10 | 1,003.27 |
| (iii) Stores and spares | 297.53 | 316.56 |
| Stores and spares (foundry) | 56.72 | 47.92 |
| (iv) Work in progress | 2,779.76 | 1,857.55 |
| | 9,327.71 | 6,326.50 |

* Include goods in transit - Rs. Nil. (PY 2024-25 : Nil)

Amounts recognised in profit or loss

Write-off of inventories to net realisable value amounted to Rs. 64.81 lakh (31 March 2025: Rs. 71.27 lakh write back). These were recognised as an expense during the year and included in 'material consumption'.

Note 11 : Cash and Bank balances

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| (a) Balances with bank | | |
| Balances with banks | 748.30 | 713.42 |
| EEFC accounts | 169.84 | - |
| Fixed deposits (with maturity less than 3 months) | - | - |
| (b) Cash on hand | 0.80 | 1.35 |
| Total cash and cash equivalents | 918.94 | 714.77 |



Notes to Accounts

Note 11A: Other bank balances

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| (a) Fixed deposits | | |
| Fixed deposits (with maturity more than 3 months and less than 12 months) | - | 2,160.17 |
| Fixed deposits of Rs. Nil (March 2025 Rs.237.26 Lakh) are held as security against OD facility. | | |
| Total other bank balances | - | 2,160.17 |

Note 12: Share Capital

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| Authorised | | |
| 180,00,000 (180,00,000) Equity shares of Rs.10 each | 1,800.00 | 1,800.00 |
| 250,00,000 (250,00,000) Preference shares of Rs.10 each | 2,500.00 | 2,500.00 |
| | 4,300.00 | 4,300.00 |
| Issued, subscribed & fully paid up | | |
| 13,952,450 (13,952,450) Equity shares of Rs.10 each fully paid | 1,395.25 | 1,395.25 |
| | 1,395.25 | 1,395.25 |

a) Terms/rights attached to equity shares

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

During the year no interim dividend paid by the company.

For the year ended 31 March 2026 the Board of Directors has not proposed any dividend.(PY 2024-25 : Rs. Nil).

b) Reconciliation of share capital

| Particulars | As at 31 March 2026 | | As at 31 March 2025 | |
|---|------------------------|--------------|------------------------|--------------|
| | Number | Rs. In Lakhs | Number | Rs. In Lakhs |
| Shares outstanding at the beginning of the year | 1,39,52,450.00 | 1,395.25 | 1,39,52,450.00 | 1,395.25 |
| Shares outstanding at the end of the year | 1,39,52,450.00 | 1,395.25 | 1,39,52,450.00 | 1,395.25 |

c) Details of shareholder holding more than 5% shares

| Particulars | As at 31 March 2026 | | As at 31 March 2025 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kirloskar Brothers Ltd. - Holding Company | 1,39,52,450.00 | 100.00% | 1,39,52,450.00 | 100.00% |



Notes to Accounts

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

(INR in Lakhs)

| Promoter Name | No. of Shares | % of Holding | % change during the year |
|-------------------------|----------------|--------------|--------------------------|
| Kirloskar Brothers Ltd. | 1,39,52,450.00 | 100.00% | Nil |

Note 13 : Other Equity

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| 1) Capital reserve Pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | 179.10 | 179.08 0.02 |
| 2) Securities Premium Reserve Pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | 3,007.47 | 2,982.23 25.24 |
| 3) General reserve Pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | 219.22 | 140.94 78.28 |
| 4) Retained Earnings Opening balance | 12,786.41 | 18,895.34 |
| Pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | - | (9,568.57) |
| Adjustment in current year profit pursuant to amalgamation of The Kolhapur Steel Limited with the Company (refer note 2.2) | - | (899.56) |
| Add: Total Comprehensive Income for the period | 7,371.34 | 4,359.20 |
| Balance available for appropriation | 20,157.75 | 12,786.41 |
| Less: Appropriations : | - | - |
| Final and interim dividend | - | - |
| Sub total | - | - |
| Closing balance | 20,157.75 | 12,786.41 |
| Total Other Equity | 23,563.54 | 16,192.20 |

Capital reserve

The company had recognised capital reserve on account of merger.

Securities Premium Reserve

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

General reserve

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

Retained Earnings

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



Notes to Accounts

Note 14 : Financial Liabilities - Borrowings

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| Non-current Secured | | |
| Working capital demand loan from banks Terms of Loan | 100.00 | 300.00 |
| i) Secured against hypothecation of Current Assets of the Company, Exclusive charge on All Fixed Assets(moveable and immoveable). | | |
| ii) Loan carries interest @ Repo Rate + 3.75% | | |
| iii) To be repaid in 10 Equal Quarterly instalments of Rs 50 Lakhs starting from June 2024 | | |
| Less- Current maturities of non current borrowings disclosed under this head separately | 100.00 | 200.00 |
| | - | 100.00 |
| Secured | | |
| Term loan from banks Terms of Loan | 349.77 | 505.23 |
| i) Secured against hypothecation of immovable property. | | |
| ii) Loan carries interest @ I-MCLR(1Y) + 2.15% | | |
| iii) To be repaid in 22 Quarterly instalments of Rs 38.86 Lakhs starting from March 2023. | | |
| Less - Current maturities of non current borrowings disclosed under this head Separately | 155.45 | 155.45 |
| | 194.32 | 349.78 |

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



Notes to Accounts

Note 14 : Financial Liabilities - Borrowings (Contd..)

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| UnSecured | | |
| 1) Loan from Holding Company - Kirloskar Brothers Limited | - | 315.28 |
| i) Loan from Holding Company carries interest @ 8.50% and payment on quarterly basis. | | |
| ii) To be repaid after 3 years in 36 equal monthly instalments, starting from end of moratorium period for each disbursement separately. Lender has right to ask for pre-payment by giving 90 days prior notice to the borrower. | | |
| Less - Current maturities of non current borrowings disclosed under this head separately | - | 315.28 |
| Sub total | - | - |
| Total Non current borrowings | 194.32 | 449.78 |
| Current | | |
| Loans repayable on demand from bank | | |
| Working capital overdraft facility | 387.20 | 164.80 |
| Terms of loans: | | |
| i) Loan carries interest @MCLR+1.75%. | | |
| ii) Secured against hypothecation of stock & receivables and mortgage of plant & machinery | | |
| Current maturities of long term loan | 255.45 | 670.73 |
| Unsecured | | |
| 1) Interest Free Loan from Holding Company as per order of BIFR | - | 94.14 |
| Total current borrowings | 642.65 | 929.67 |
| There has been no continuing default on the balance sheet date in repayment of any of the above borrowings & interest thereon. | | |
| Quarterly returns or statements of current assets filed with bank are in agreement with the books of accounts. | | |
| The Company has utilised loans for the specific purpose for which same are availed. | | |
| Total borrowings | 836.97 | 1,379.45 |



Notes to Accounts

Note 15 : Financial liabilities - Trade Payable

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| Current Trade payable | | |
| Due to related parties | 840.39 | 8,443.69 |
| Due to others | 4,975.59 | 3,768.85 |
| Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 5,815.98 | 12,212.54 |
| Due to Micro and Small Enterprises | 3,617.25 | 1,506.39 |
| Total outstanding dues of Creditors | 9,433.23 | 13,718.93 |

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 15-90 days terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 38 for ageing.

Trade Payable Ageing Schedule- as on 31.03.2026

| Particulars | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-----------------|------------------|-------------|-------------|-------------------|-----------------|
| (i) MSME | 3,302.78 | 294.09 | 0.13 | 0.12 | 20.13 | 3,617.25 |
| (ii) Others | 4,687.64 | 1,107.86 | 0.13 | 0.04 | 19.07 | 5,814.74 |
| (iii) Disputed due MSME | - | - | - | - | - | - |
| (iv) Disputed due Others | - | - | - | - | 1.24 | 1.24 |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 7,990.42 | 1,401.95 | 0.26 | 0.16 | 40.44 | 9,433.23 |

Trade Payable Ageing Schedule- as on 31.03.2025

| Particulars | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-----------------|------------------|-----------------|-----------------|-------------------|------------------|
| (i) MSME | 1,506.39 | - | - | - | - | 1,506.39 |
| (ii) Others | 3,564.83 | 1,958.54 | 3,229.64 | 1,774.14 | 1,685.39 | 12,212.54 |
| (iii) Disputed due MSME | - | - | - | - | - | - |
| (iv) Disputed due Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 5,071.22 | 1,958.54 | 3,229.64 | 1,774.14 | 1,685.39 | 13,718.93 |



Notes to Accounts

Note 16 : Other Financial liabilities

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| Non current | | |
| Provision for expenses | 286.00 | 404.05 |
| | 286.00 | 404.05 |
| Current | | |
| (i) Salary & Reimbursements | 352.13 | 565.32 |
| (ii) Capital creditors (Includes due to MSME Rs. 154.05Lakh. PY Rs. 50.30 Lakhs) | 168.28 | 166.71 |
| (iii) Provision for expenses | 747.84 | 463.91 |
| | 1,268.25 | 1,195.94 |

Terms and conditions of the above financial liabilities:

- Other payables are non-interest bearing and have an average term of six months
- For explanations on the Group's credit risk management processes, refer to Note 38

Note 17 : Provisions

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| Non-Current Provisions | | |
| 1) Provision for employee benefits | | |
| (i) Leave encashment (Refer note 34) | 189.77 | 191.66 |
| (ii) Gratuity (Refer note 32) | - | 201.16 |
| 2) Other Provisions | | |
| Other Expenses | 124.44 | 401.02 |
| Warranty Provision | - | - |
| | 314.21 | 793.84 |
| Current Provisions | | |
| 1) Provision for employee benefits | | |
| (i) Leave encashment (Refer note 34) (CA) | 203.10 | 174.01 |
| (ii) Gratuity (Refer note 32) | 419.38 | 98.32 |
| 2) Other Provisions | | |
| Warranty Provision | 1,305.22 | 960.23 |
| | 1,927.70 | 1,232.56 |

Note 18 : Other current non-financial liabilities

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| 1) Contribution to PF and superannuation | 34.01 | 29.61 |
| 2) Statutory dues | 95.74 | 80.32 |
| 3) Advances from customer | 7,081.42 | 2,152.53 |
| | 7,211.17 | 2,262.46 |



Notes to Accounts

Note 19 : Revenue from operations

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Sale of product | 65,871.84 | 57,359.81 |
| Sale of services | 208.66 | 164.65 |
| | 66,080.50 | 57,524.46 |
| Other operating revenues (Majorly includes scrap sales and export benefits) | 2,643.48 | 2,664.48 |
| | 68,723.98 | 60,188.94 |

Additional disclosures as required by IND AS 115 revenue from contracts with customers

A: Disaggregation of revenue from sale of products / services

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|------------------|-----------------------------|-----------------------------|
| a) Within India | 66,396.48 | 58,393.64 |
| b) Outside India | 2,327.50 | 1,795.30 |
| Total | 68,723.98 | 60,188.94 |

B: Reconciliation of revenue from sale of products / services with the contracted price

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Contracted price | 68,723.98 | 60,188.94 |
| Less - Trade discounts, volume rebates, late delivery charges etc | - | - |
| | - | - |
| Total | 68,723.98 | 60,188.94 |

Note 20 Other Income

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| (a) Interest income | | |
| (i) From bank | 396.89 | 588.13 |
| (ii) From others | 124.63 | 130.40 |
| | 521.52 | 718.53 |
| (b) Dividend income | | |
| (i) From other than subsidiary companies | 0.01 | 0.01 |
| (c) Finance income | | |
| (i) Foreign exchange difference Gain (Net) | 76.14 | - |
| | 76.14 | - |
| (d) Other non-operating income | | |
| (i) Miscellaneous Income | 497.08 | 967.41 |
| | 497.08 | 967.41 |
| | 1,094.75 | 1,685.95 |

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



Notes to Accounts

(INR in Lakhs)

Note 21 A Cost of material consumed and purchases of stock-in-trade

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|-----------------------------|-----------------------------|-----------------------------|
| Raw material consumed | 48,596.61 | 42,836.24 |
| | 48,596.61 | 42,836.24 |
| Purchases of stock-in-trade | 32.48 | 79.46 |

Note 21 B Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|----------------------|-----------------------------|-----------------------------|
| Opening Stock | | |
| Finished goods | 1,003.27 | 1,168.55 |
| Work-in- progress | 1,857.55 | 877.62 |
| Stock in trade | 47.92 | - |
| | 2,908.74 | 2,046.17 |
| Closing Stock | | |
| Finished goods | 923.10 | 1,003.27 |
| Work-in- progress | 2,779.76 | 1,857.55 |
| Stock in trade | 56.72 | 47.92 |
| | 3,759.58 | 2,908.74 |
| | (850.84) | (862.57) |

Note 22 Employee benefits expens

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 3,341.27 | 3,149.57 |
| Defined contribution plans | - | - |
| Contribution to provident fund, superannuation fund and ESIC | 222.52 | 203.67 |
| Defined benefit plans | - | - |
| Gratuity | 117.80 | 76.75 |
| Welfare expenses | 129.76 | 119.91 |
| | 3,811.35 | 3,549.90 |

Note 23 : Finance cost

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Interest expense (at effective interest rate) | 88.86 | 122.76 |
| Other borrowing costs (Including BG commision, LC charges, define benefit obligation, leases and others) | 185.93 | 256.55 |
| | 274.79 | 379.31 |



Notes to Accounts

(INR in Lakhs)

Note 24 : Depreciation and amortisation

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Depreciation on tangible assets | 915.94 | 827.64 |
| Amortisation of intangible assets | 49.14 | 80.87 |
| Amortisation of right to use assets (lease) | 99.49 | 61.30 |
| | 1,064.57 | 969.81 |

Note 25 Other expenses

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Stores and spares consumed | 2,136.58 | 1,640.04 |
| Processing charges | 5,198.50 | 4,419.52 |
| Power & fuel | 705.53 | 658.54 |
| Repairs and maintenance | - | - |
| Plant and machinery | 238.43 | 237.69 |
| Buildings | 118.66 | 95.12 |
| Others | 14.68 | 17.79 |
| Rent | 9.95 | 4.85 |
| Rates and taxes | 86.84 | 237.29 |
| Travel and conveyance | 93.44 | 105.41 |
| Postage and telephone | 17.48 | 17.73 |
| Insurance | 42.43 | 34.30 |
| Directors sitting fees | 1.90 | 3.55 |
| Freight and forwarding charges | 509.34 | 441.99 |
| Advertisements and publicity | 8.81 | 4.85 |
| Loss on sale/disposal of fixed assets | 0.22 | 3.58 |
| Bad debts, advances and claims written off | 18.31 | 0.10 |
| Provision for doubtful debts, advances and claims | 0.37 | 69.75 |
| Auditors remuneration (Refer Note - 29) | 27.52 | 21.27 |
| Legal Expenses and Consulting Fees | 262.44 | 129.93 |
| Stationery and printing | 19.10 | 15.84 |
| Computer Services | 78.69 | 70.10 |
| Foreign exchange difference Loss (Net) | - | 61.78 |
| Warranty Expenses | 791.47 | 491.17 |
| CSR Expenses | 175.86 | 121.46 |
| Security Expenses | 159.77 | 155.50 |
| Training Course | 11.96 | 5.48 |
| Contribution to Politicle Party (Refer Note 50-3) | 200.00 | 200.00 |
| Other miscellaneous expenses | 90.79 | 101.98 |
| | 11,019.07 | 9,366.61 |



Notes to Accounts

Note 26A : Exceptional items

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| Net amount of reversal of project related provisions. | (276.58) | (14.97) |
| Payment under voluntary retirement scheme | 25.28 | 177.23 |
| | (251.30) | 162.26 |

Note 26B : Other Comprehensive Income

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|--|-----------------------------|-----------------------------|
| Remeasurements gains and losses on post employments benefits | (65.67) | (7.64) |
| Tax on remeasurements gains and losses | 16.53 | 1.92 |
| | (49.14) | (5.72) |

Note 27: Contingent Liabilities

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| a) Claims against the company not acknowledged as debt | | |
| i) Claims are in the nature of legal notices received from vendors and contested by the Company. | 3,217.78 | 3,217.78 |
| ii) Disputed excise duty dues (Matter Subjudice) (Against these demands, an amount of Rs. 5.42 Lakhs (Previous year Rs.5.42 Lakh) has been paid under protest.) The Company has filed Appeal in Tribunal Mumbai for CENVAT credit on scrap sales | 10.92 | 10.92 |
| iii) Goods and Service Tax The Company has filed appeal filed before commissioner of central tax and amount paid under protest Rs 0.84 Lakhs | 39.11 | 39.11 |
| b) Other money for which company is contingently liable | | |
| i) Central Excise and Service tax (Matter Subjudice) | 19.00 | 19.00 |
| ii) Income Tax (Matter Subjudice) | 267.60 | 23.60 |
| iii) Disputed matters under labour law (One case is pending in Kolhapur Security Guard Board, Kolhapur) | 3.50 | 3.50 |
| Total contingent liabilities | 3,557.91 | 3,313.91 |

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

Note 28 : Commitments

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 741.11 | 247.83 |
| Total commitments | 741.11 | 247.83 |

Note 29 : Remuneration to Auditors

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| a) Audit fees | 16.50 | 13.50 |
| b) For limited review | 6.00 | 5.50 |
| c) For certification - Merger related | - | 1.20 |
| d) For reports issued for merger procedure | 2.25 | - |
| e) For Tax audit fees | 0.50 | 0.50 |
| f) For Tax Audit fees in connection with merger | 2.00 | - |
| g) Expenses reimbursed | 0.27 | 0.57 |
| Total audit fees | 27.52 | 21.27 |



Notes to Accounts

Note 30 : Earning per Share (Basic and diluted)

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| a) Profit for the year before tax | 6,122.00 | 5,393.87 |
| Less : Attributable Tax thereto | (1,298.48) | 1,928.51 |
| Profit after Tax | 7,420.48 | 3,465.36 |
| | - | - |
| b) Weighted average number of equity shares used as denominator (numbers) | 139.52 | 139.52 |
| c) Basic and diluted earning Rupees per share of nominal value of Rs 10/- each (Rs) | 53.18 | 24.84 |

Note 31 : Construction contract

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| Amount of retentions for contracts in progress (provided for) | 73.31 | 73.31 |

Note 32 : Employee Benefits :

i Defined Contribution Plans:

Amount of Rs. 210.52 Lakh (Previous year Rs. 192.74 Lakh), is recognized as an expense and included in 'Payments to and Provision for Employees' in the statement of profit and loss.

ii Defined Benefit Plans:

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

| Particulars | As at 31 March 2026 Gratuity Plan (Funded) | As at 31 March 2025 Gratuity Plan (Funded) |
|---|---|---|
| A. Amount to be recognised in Balance Sheet | | |
| Present Value of Defined Benefit Obligation | 903.07 | 707.23 |
| Less: Fair Value of Plan Assets | 483.69 | 407.75 |
| Amount to be recognised as liability or (asset) | 419.38 | 299.48 |
| B. Amounts reflected in the Balance Sheet | | |
| Liabilities | 419.38 | 299.48 |
| Assets | - | - |
| Net Liability/(Assets) | 419.38 | 299.48 |

b) The amounts recognised in the Profit and Loss Statement are as follows:

| Particulars | As at 31 March 2026 Gratuity Plan (Funded) | As at 31 March 2026 Gratuity Plan (Funded) |
|---|--|--|
| 1 Current Service Cost | 77.47 | 76.75 |
| 2 Acquisition (gain)/ loss | - | - |
| 3 Past Service Cost | 40.33 | - |
| 4 Net Interest (income)/expenses | 17.35 | 21.29 |
| 5 Curtailment (gain)/ loss | - | - |
| 6 Settlement (gain)/loss | - | - |
| 7 Transfer in/ (out) | - | - |
| Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 22 & finance cost-Note 23) | 135.15 | 98.04 |



Notes to Accounts

c) The amounts recognised in the statement of Other Comprehensive Income (OCI)

(INR in Lakhs)

| Particulars | As at 31 March 2026 Gratuity Plan (Funded) | As at 31 March 2025 Gratuity Plan (Funded) |
|--|--|--|
| 1. Opening amount recognised in OCI outside profit and loss account | (48.24) | (55.88) |
| 2. Remeasurements for the year - Obligation (gain)/loss | 71.36 | 12.32 |
| 3. Remeasurements for the year - Plan assets (gain) / loss | (5.69) | (4.68) |
| 4. Total Remeasurements Cost / (Credit) for the year recognised in OCI | 65.67 | 7.64 |
| 5. Closing balances (Remeasurements (gain)/loss recognised OCI) | 17.43 | (48.24) |

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

| Particulars | As at 31 March 2026 Gratuity Plan (Funded) | As at 31 March 2025 Gratuity Plan (Funded) |
|---|--|--|
| 1 Balance of the present value of Defined benefit Obligation at beginning of the period | 707.23 | 711.38 |
| 2 Acquisition adjustment | - | - |
| 3 Transfer in/ (out) | - | - |
| 4 Interest expenses | 46.06 | 46.20 |
| 5 Past service cost | 40.33 | - |
| 6 Current service cost | 77.47 | 76.75 |
| 7 Curtailment cost / (credit) | - | - |
| 8 Settlement cost/ (credit) | - | - |
| 9 Benefits paid | (39.39) | (139.42) |
| 10 Remeasurements on obligation - (gain) / loss | 71.36 | 12.32 |
| Present value of obligation as at the end of the period | 903.06 | 707.23 |

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

| Particulars | Gratuity Plan (Funded) | |
|---|------------------------|---------------------|
| | As at 31 March 2026 | As at 31 March 2025 |
| 1 Fair value of the plan assets as at beginning of the period | 407.76 | 313.65 |
| 2 Acquisition adjustment | - | - |
| 3 Transfer in/(out) | - | - |
| 4 Interest income | 28.71 | 24.91 |
| 5 Contributions | 57.36 | 73.31 |
| 6 Benefits paid | (15.82) | (8.79) |
| 7 Amount paid on settlement | - | - |
| 8 Return on plan assets, excluding amount recognized in Interest Income - (gain) / Loss | 5.69 | 4.68 |
| 9 Fair value of plan assets as at the end of the period | 483.70 | 407.76 |
| 10 Actual return on plan assets | 29.58 | 6.45 |



Notes to Accounts

f) Net interest (Income) /expenses

(INR in Lakhs)

| Particulars | Gratuity Plan (Funded) | |
|---|------------------------|---------------|
| | As at 31 March 2026 | 31 March 2025 |
| 1 Interest (income)/expense – Obligation | 46.06 | 46.20 |
| 2 Interest (income) / expense – Plan assets | (28.71) | (24.91) |
| 3 Net Interest (income) /expense for the year | 17.35 | 21.29 |

g) The broad categories of plan assets as a percentage of total plan assets as at reporting date of Employee's gratuity scheme are as under:

| Particulars | Gratuity Plan (Funded) | Gratuity Plan (Funded) |
|---|------------------------|------------------------|
| | 31 March 2026 | 31 March 2025 |
| Government of India securities | - | - |
| State Government securities | - | - |
| Other approved securities (Govt. guaranteed securities) | - | - |
| High quality corporate bonds | - | - |
| Equity shares of listed companies | - | - |
| Special deposit scheme | - | - |
| Others (with the Insurer) | 100% | 100% |
| Total | 100% | 100% |

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

- Discount rate as at 31 March 2026 - 7.2% (31 March 2025 - 6.7%)
- Expected return on plan assets as at 31 March 2026 - 6.7% (31 March 2025 - 7.2%)
- Salary growth rate : For Gratuity Scheme as at 31 March 2026 - 10.0% (31 March 2025 - Others 10.0%, Foundry Division Staff - 8%, Foundry Division Workers - 5%)
- Attrition rate: For gratuity scheme the attrition rate is taken as at 31 March 2026 10% (31 March 2025 - Others 7%, Foundry Division 7%)

h) General descriptions of defined plans:

Gratuity Plan:

The Company operates a gratuity plan for its employees in accordance with applicable statutory requirements. Under the gratuity scheme, employees are entitled to a gratuity benefit equivalent to fifteen days' salary last drawn for each completed year of service, payable on termination of employment or retirement, whichever is earlier.

The gratuity benefit vests after five years of continuous service for permanent employees and after one year of continuous service for employees engaged under Fixed Term Employment, in accordance with applicable labour laws.



Notes to Accounts

i) Sensitivity analysis

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

(INR in Lakhs)

| Change in assumption | Effect on gratuity obligation | |
|---------------------------------|-------------------------------|------------------------|
| | As at 31 March 2026 | As at 31 March 2025 |
| 1 Discount rate | | |
| Increase by 1% to 8.2% (7.7%) | 853.18 | 661.94 |
| Decrease by 1% to 6.2% (5.7%) | 958.78 | 758.53 |
| 2 Salary increase rate | | |
| Increase by 1% to 11.0% (11.0%) | 948.32 | 750.21 |
| Decrease by 1% to 9.0% (9.0%) | 861.57 | 668.37 |
| 3 Withdrawal rate | | |
| Increase by 1% to 11.0% (8.0%) | 896.32 | 701.68 |
| Decrease by 1% to 9% (6%) | 910.48 | 713.47 |

j) The actuarial valuation of gratuity has been performed in compliance with the provisions of the Code on Social Security, 2020, which became effective from 21 November 2025.

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

| Plan | As at 31 March 2026 | As at 31 March 2025 |
|----------|------------------------|------------------------|
| Gratuity | 8.97 | 8.85 |

l) The amounts pertaining to defined benefit plans are as follows: Funded Plan

| Plan | As at 31 March 2026 | As at 31 March 2025 |
|----------------------------|------------------------|------------------------|
| Defined Benefit Obligation | 903.07 | 707.23 |
| Plan Assets | 483.69 | 407.75 |
| Surplus/(Deficit) | (419.38) | (299.48) |

The Company expects to fund Rs 117.79 lakh (PY Rs 57.35 lakh) towards its gratuity plan in the year 2026-27.



Notes to Accounts

Note 33 : Related Party Disclosures

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

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

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

| Sr No | Name of the related party | Nature of relationship |
|-------|---------------------------|---|
| 1 | Mr. Ravindra Samant | Managing Director |
| 2 | Mr. K. Taranath | Chairman 01.04.2025 to 01.08.2025 |
| 3 | Mr. C. M. Mate | Director |
| 4 | Ms. Rama Kirloskar | Director |
| 5 | Ms. Manjiri Jawadekar | Director 01.04.2025 to 06.06.2025 |
| 6 | Mr. Ravindra Birajdar | Additional Director Appointed w.e.f. 11.07.2025 |
| 7 | Mr. Achyut Dhadphale | Director Appointed w.e.f 07.01.2026 |
| 8 | Mr. Suresh Deshpande | Director Appointed w.e.f 07.01.2026 |
| 9 | Mr. Ananta Das * | Chief Financial Officer |
| 10 | Ms. Suchitra Deshmukh * | Chief Financial Officer |
| 11 | Mr. Amit Shukla ** | Company Secretary |
| 12 | Ms. Anuja Laturkar ** | Company Secretary |

*As required under section 203 of companies Act 2013, the company has appointed a Chief Financial Officer (CFO) Ms. Suchitra Deshmukh with effect from 27th November 2025 in place of the then CFO Mr. Ananta Das, who resigned from the position of CFO of the company with effect from the closing hours of 17th September,2025.

**As required under section 203 of companies Act 2013, the company has appointed a Company Secretary Mr. Amit Shukla with effect from 27th February 2026 in place of the then Company Secretary Ms. Anuja Laturkar, who resigned from the position of Company Secretary of the company with effect from the closing hours of 26th February,2026.

(c) Trust where key managerial persons are the trustees.

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



Notes to Accounts

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

| | | |
|---|---|-------------------------------|
| 1 | Holding Company | Kirloskar Brothers Limited |
| 2 | Fellow Subsidiary of Holding Company | SPP Pumps Limited,UK |
| 3 | Joint Venture of Holding Company | Kirloskar Ebara Pumps Limited |
| 4 | Key management personnel and their close member | Mr. Ravindra Samant |
| | | Mr. K. Taranath |
| | | Ms. Manjiri Jawadekar |
| | | Mr. Suresh Deshpande |
| | | Mr. Achyut Dhadphale |
| | | Mr. Avinash Yadav |
| | | Mr. Rajkumar Assudani |
| | | Mr. Ananta Charan Das |
| | | Ms. Suchitra Deshmukh |

(e) Transactions with related parties *

(INR in Lakhs)

| Nature of Transactions | Year | Where control exists | Enterprises under common control | KMP and close member of KMP and where KMP are trustees |
|--|----------------|----------------------|----------------------------------|--|
| Purchases / job work | | | | |
| Kirloskar Brothers Limited | | 1,327.89 | - | - |
| Kirloskar Ebara Pumps Limited | | | 4.35 | |
| | 2025-26 | 1,327.89 | 4.35 | - |
| Kirloskar Brothers Limited | | 1,577.66 | | |
| Kirloskar Ebara Pumps Limited | | - | 2.74 | |
| | 2024-25 | 1,577.66 | 2.74 | - |
| Sales / job work / others | | | | |
| Kirloskar Brothers Limited | | 50,502.60 | - | - |
| Kirloskar Ebara Pumps Limited | | - | 242.14 | - |
| SPP Pumps UK | | - | 63.68 | - |
| | 2025-26 | 50,502.60 | 305.82 | - |
| Kirloskar Brothers Limited | | 45,883.29 | - | - |
| Kirloskar Ebara Pumps Limited | | - | 89.65 | - |
| SPP Pumps UK | | - | 73.15 | - |
| | 2024-25 | 45,883.29 | 162.80 | - |
| Finance cost | | | | |
| Kirloskar Brothers Limited Interest | | 13.71 | | |
| | 2025-26 | 13.71 | | |
| Kirloskar Brothers Limited Interest | | 53.36 | | |
| | 2024-25 | 53.36 | | |
| Loan repayment | | | | |
| Holding company - Kirloskar Brothers Limited | | 409.42 | | |
| | 2025-26 | 409.42 | | |
| Holding company - Kirloskar Brothers Limited | | 501.00 | | |
| | 2024-25 | 501.00 | | |
| Advance Received | | | | |
| Kirloskar Brothers Limited | | 5,611.39 | - | - |
| | 2025-26 | 5,611.39 | - | - |
| Advance Received | | | | |
| Kirloskar Brothers Limited | | 383.05 | - | - |
| | 2024-25 | 383.05 | - | - |
| Receiving services/ expenses reimbursed | | | | |
| Kirloskar Brothers Limited | | 105.88 | - | - |
| Kirloskar Ebara Pumps Limited | | - | | |
| | 2025-26 | 105.88 | - | - |
| Receiving services/ expenses reimbursed | | | | |
| Kirloskar Brothers Limited | | 113.50 | - | - |
| Kirloskar Ebara Pumps Limited | | - | | |
| | 2024-25 | 113.50 | - | - |



Notes to Accounts

(e) Transactions with related parties Cont...

(INR in Lakhs)

| Nature of Transactions | Year | Where control exists | Enterprises under common control | KMP and close member of KMP and where KMP are trustees |
|------------------------|----------------|----------------------|----------------------------------|--|
| Sitting fees | | | | |
| K. Taranath | | - | - | 0.45 |
| Manjiri Jawadekar | | - | - | 0.08 |
| Mr. Achyut Dhadphale | | - | - | 0.60 |
| Mr.Suresh Deshpande | | - | - | 0.55 |
| | 2025-26 | - | - | 1.68 |
| K. Taranath | | - | - | 1.30 |
| Manjiri Jawadekar | | - | - | 0.37 |
| Mr. Achyut Dhadphale | | - | - | 0.83 |
| Mr.Suresh Deshpande | | - | - | 0.68 |
| | 2024-25 | - | - | 3.18 |

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

(f) Key management personnel compensation

| Particulars | Ravindra Samant | Ananta Charan Das (Up to 17th September 2025) | Suchitra Deshmukh (w.e.f. 27th November 2025) | Rajkumar Assudani (Up to 4th December 2025) |
|----------------------------------|-----------------|--|--|--|
| Short term employee benefits | 135.07 | 20.43 | 19.63 | 29.48 |
| Post employment benefits | 14.35 | 1.65 | 4.20 | - |
| Other long term employee benefit | (9.26) | - | 0.96 | - |
| Total 2025-26 | 140.16 | 22.08 | 24.79 | 29.48 |
| Particulars | Ravindra Samant | Ananta Das | Avinash Yadav | Rajkumar Assudani |
| Short term employee benefits | 130.07 | 32.48 | 11.02 | 43.52 |
| Post employment benefits | 15.21 | 4.61 | 0.30 | 4.12 |
| Other long term employee benefit | 5.73 | 1.29 | - | 1.07 |
| Total 2024-25 | 151.01 | 38.38 | 11.32 | 48.71 |

(g) Outstanding balances arising from transactions with related parties

| Nature of Transactions | Year | Where control exists | Enterprises under common control |
|-------------------------------|----------------|----------------------|----------------------------------|
| Receivables (net) | | | |
| Kirloskar Brothers Limited | | 8,667.82 | - |
| The Kolhapur Steel Limited | | - | - |
| Kirloskar Ebara Pumps Limited | | - | 28.28 |
| SPP Pumps Limited (UK) | | - | 21.40 |
| | 2025-26 | 8,667.82 | 49.68 |
| Kirloskar Brothers Limited | | 9,595.18 | - |
| The Kolhapur Steel Limited | | - | - |
| Kirloskar Ebara Pumps Limited | | - | 28.77 |
| SPP Pumps Ltd (UK) | | - | 38.91 |
| | 2024-25 | 9,595.18 | 67.68 |
| Trade Payables(net) | | | |
| Kirloskar Brothers Limited | | 835.26 | - |
| Kirloskar Ebara Pumps Limited | | - | 5.13 |
| | 2025-26 | 835.26 | 5.13 |
| Kirloskar Brothers Limited | | 8,440.42 | - |
| Kirloskar Ebara Pumps Limited | | - | 3.26 |
| | 2024-25 | 8,440.42 | 3.26 |
| Advance Received | | | |
| Kirloskar Brothers Limited | | 1,370.00 | - |



Notes to Accounts

(g) Outstanding balances arising from transactions with related parties (Contd...)

(INR in Lakhs)

| Nature of Transactions | Year | Where control exists | Enterprises under common control |
|--|----------------|----------------------|----------------------------------|
| | 2025-26 | 1,370.00 | |
| Kirloskar Brothers Limited | | 1,370.00 | |
| | 2024-25 | 1,370.00 | - |
| Loan Payable | | | |
| Holding Company - Kirloskar Brothers Limited (Interest Free) | | - | - |
| Holding Company - Kirloskar Brothers Limited | | - | - |
| | 2025-26 | - | - |
| Loan Payable | | | |
| Holding Company - Kirloskar Brothers Limited (Interest Free) | | 94.14 | - |
| Holding Company - Kirloskar Brothers Limited | | 315.28 | - |
| | 2024-25 | 409.42 | - |
| Investment in Equity Shares | | | |
| Sunsure Solarpark Nineteen Private Limited- Associate of Holding Company | | 90.19 | - |
| | 2025-26 | 90.19 | - |
| Investment in Equity Shares | | | |
| Sunsure Solarpark Nineteen Private Limited- Associate of Holding Company | | 90.19 | - |
| | 2024-25 | 90.19 | - |

Note 34: Movement in provision

| Particulars | Compensated Absences | Product Warranty |
|---|----------------------|------------------|
| Carrying amount as at 31 March 2024 | 328.76 | 1,301.88 |
| Additional provision recognised during year | 56.21 | 482.14 |
| Amount utilised during the year | 19.30 | - |
| Unused amounts reversed during the year | - | 823.79 |
| Carrying amount as at 31 March 2025 | 365.67 | 960.23 |
| Additional provision recognised during year | 49.49 | 791.47 |
| Amount utilised during the year | 22.29 | 23.31 |
| Unused amounts reversed during the year | - | 423.17 |
| Unwinding of provision during the year | - | - |
| Carrying amount as at 31 March 2026 | 392.87 | 1,305.22 |

Compensated absences

The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates.

Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled as per schedule of warranty i.e. upto 24 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims could differ historical amount.



Notes to Accounts

Note 35 : Expenditure on Research & Development

(INR in Lakhs)

| Particulars | Year ended 31 March 2026 | Year ended 31 March 2025 |
|---|-----------------------------|-----------------------------|
| A. On revenue account | | |
| <u>Manufacturing expenses</u> | | |
| Materials | 43.44 | 42.17 |
| Repairs & maintenance | 0.14 | 0.88 |
| <u>Payment to and provision for employee</u> | | |
| Salaries , wages , bonus, allowances, contribution to provident & other funds | 41.77 | 32.77 |
| <u>Other expenses</u> | | |
| Travel expenses | 6.92 | 9.30 |
| Others | 1.30 | 2.88 |
| Total | 93.57 | 88.00 |
| B. On capital account | | |
| Assets capitalised | - | - |
| CWIP | - | - |
| Total | - | - |
| Total | 93.57 | 88.00 |

Note 36 : Segment Reporting

Operating segments are reporting in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of Managing Director, Chief Financial Officer and all other executive directors. Company operates in single segment as business of motors, pumps, castings and its accessories.

Revenues from single customer exceeding 10% of the entity's revenues amounted to ₹ 50,430.89 Lakhs. These revenues were earned in the single reportable segment.



Notes to Accounts

Note 37 : Fair Value of financial assets and liabilities

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

(INR in Lakhs)

| Sr. No. | Particulars | Carrying value | |
|---------|---|------------------|------------------|
| | | 31 March 2026 | 31 March 2025 |
| | Financial Asset | | |
| a) | Carried at fair value through Other Comprehensive Income (FVTOCI)- Level 3 | | |
| | Unquoted investment | 90.24 | 4,490.24 |
| b) | Carried at amortised cost- Level 2 | | |
| | Investments-non-current | - | 1,000.00 |
| | Investments-current | - | 3,400.00 |
| | Loans | - | - |
| | Other financial assets - non current | 149.93 | 404.52 |
| | Other financial assets - current | 1,394.90 | 260.94 |
| | Trade receivable | 19,128.52 | 13,670.38 |
| | Cash and cash equivalent and bank balances | 918.94 | 714.77 |
| | | 21,682.53 | 23,940.85 |
| | Financial Liabilities | | |
| c) | Carried at amortised cost- Level 2 | | |
| | Current borrowings | 642.65 | 929.67 |
| | Lease liabilities - non current | 120.48 | 96.68 |
| | Lease liabilities - current | 72.26 | 54.65 |
| | Other current financial liabilities | 1,268.25 | 1,195.94 |
| | Trade payable | 9,433.23 | 13,718.93 |
| | Provision for other expenses | 286.00 | 404.05 |
| | | 11,822.87 | 16,399.92 |

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

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

Note 38 : Financial risk management policy and objectives

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

In order to minimize any adverse effects on the financial performance of the Company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|------------------------------------|---|-----------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Ageing analysis | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk -Foreign Currency Risk | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Sensitivity Analysis | Management follows established risk management policies, including maintaining foreign currency account |



Notes to Accounts

(INR in Lakhs)

The Group's risk management is carried out by management, under policies approved by the board of directors. Group's treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

1) Credit Risk

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

a) Trade receivable

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Trade receivables are non interest bearing and are generally on, 1 day to 120 days credit term. The ageing analysis of trade receivable as on reporting date is as follows

Trade receivable ageing used in the provision matrix for life time expected credit loss is as follows

| Exposure to risk | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------------------|------------------------|------------------------|
| Trade receivable | | |
| Neither Past due but not impaired | 17,966.81 | 13,227.73 |
| Past due but Not Impaired | | |
| Less than 180 days | 1,120.51 | 408.57 |
| 181- 365 days | 41.27 | 16.72 |
| More than 365 days | -0.07 | 17.36 |
| Total | 19,128.51 | 13,670.38 |

Reconciliation of loss provision

| Particulars | Trade receivables |
|---|-------------------|
| Loss allowance as at 31 March 2025 | 229.73 |
| Changes in loss allowance | 42.64 |
| Loss allowance as at 31 March 2026 | 187.09 |

b) Financial instruments and cash deposits

Credit risk from balances with banks, deposit with others and financial institutions is managed by the company's finance team in accordance with company's policy. Investments of surplus funds are made on the basis of Company policy and reviewed by Managing Director & Chief Financial Officer of the Company. The Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount as disclosed in Note 11.



Notes to Accounts

(INR in Lakhs)

2) Liquidity risk

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

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

| Exposure to risk | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| Other Financial Liabilities- Non Current | | |
| On demand | - | - |
| More than 365 days | 286.00 | 404.05 |
| Total | 286.00 | 404.05 |
| Other Financial Liabilities- Current | | |
| On demand | - | - |
| Less than 180 days | 1,268.25 | 1,195.94 |
| Total | 1,268.25 | 1,195.94 |
| Lease Liabilities | | |
| On demand | - | - |
| Less than 180 days | 37.01 | 29.13 |
| 181 to 365 days | 38.79 | 31.05 |
| More than 365 days | 116.94 | 91.15 |
| Total | 192.74 | 151.33 |
| Interest bearing borrowings | | |
| On demand | 387.20 | 164.80 |
| Less than 180 days | 177.73 | 390.23 |
| 181 to 365 days | 77.73 | 280.51 |
| More than 365 days | 194.31 | 449.77 |
| Total | 836.97 | 1,285.31 |
| Non Interest bearing borrowings | | |
| On demand | - | 94.14 |
| Less than 180 days | - | - |
| 181 to 365 days | - | - |
| More than 365 days | - | - |
| Total | - | 94.14 |
| Trade Payable | | |
| On demand | - | - |
| Less than 180 days | 7,990.42 | 5,071.22 |
| 181 to 365 days | 1,401.95 | 1,958.54 |
| More than 365 days | 40.86 | 6,689.17 |
| Total | 9,433.23 | 13,718.93 |

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

| | As at 31 March 2026 | As at 31 March 2025 |
|--------------------------|------------------------|------------------------|
| Floating interest rate | 9.00% - 9.50% | 9.00% - 9.50% |
| Expiring within one year | 3,500.00 | 3,500.00 |



Notes to Accounts

(INR in Lakhs)

3) Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2026 and 31 March 2025. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, proportion of financial instruments in foreign currencies are all constant at 31 March 2026.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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

b) Foreign currency risk

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

Financial risk management policy and objectives

| Particulars | Currency | Amount in Foreign Currency | | Amount in INR | |
|------------------------------|----------|----------------------------|---------------------|---------------------|---------------------|
| | | As at 31 March 2026 | As at 31 March 2025 | As at 31 March 2026 | As at 31 March 2025 |
| Financial Assets | | | | | |
| Trade Receivables | USD | 5.76 | 3.64 | 527.29 | 310.84 |
| | GBP | 0.18 | 0.36 | 18.80 | 39.78 |
| | EUR | 3.22 | 3.11 | 390.97 | 286.54 |
| Financial liabilities | | | | | |
| Trade Payables | USD | 0.08 | 0.02 | 7.20 | 2.12 |
| | GBP | - | - | - | - |
| | EUR | 0.09 | 0.05 | 10.49 | 4.70 |

Currency wise net exposure (Assets-Liabilities)

| Particulars | Amount in Foreign Currency | | Amount in INR | |
|-------------|----------------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2026 | As at 31 March 2025 | As at 31 March 2026 | As at 31 March 2025 |
| USD | 5.69 | 3.61 | 520.11 | 154.64 |
| GBP | 0.18 | 0.36 | 18.80 | 19.48 |
| EUR | 3.13 | 3.06 | 380.49 | 231.70 |

Sensitivity Analysis

| Currency | Amount in INR | | Sensitivity % | | Impact on profit (strengthen) | | Impact on profit (weakening) | |
|----------|---------------|--------|---------------|-------|-------------------------------|-------|------------------------------|---------|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| USD | 520.11 | 154.64 | 4.56% | 3.91% | 23.73 | 6.04 | (23.73) | (6.04) |
| GBP | 18.80 | 19.48 | 1.19% | 3.02% | 0.22 | 0.59 | (0.22) | (0.59) |
| EUR | 380.49 | 231.70 | 7.23% | 3.07% | 27.50 | 7.12 | (27.50) | (7.12) |
| Total | 919.40 | 405.82 | | | 51.45 | 13.75 | (51.45) | (13.75) |

(USD - US Dollar, GBP-Pound, EUR- Euro)



Notes to Accounts

(INR in Lakhs)

Note 39 : Amalgamation of Karad Projects and Motors Limited with The Kolhapur Steel Limited

Karad Projects and Motors Limited ("KPML") and The Kolhapur Steel Limited ("TKSL"), its wholly owned subsidiary, entered into a Scheme of Amalgamation ("Scheme") whereby TKSL, which was engaged in the business of steel and alloy castings, merged into KPML, the Transferee Company.

The scheme was duly approved by the respective shareholders, creditors, and other relevant regulatory and statutory authorities / third parties of both companies. The Scheme was sanctioned by the Mumbai Bench of the National Company Law Tribunal (NCLT) vide its order dated November 3, 2025. The Scheme became effective on December 5, 2025, being the date on which the certified copy of the NCLT order along with all requisite approvals was filed with the Registrar of Companies (RoC), Pune. Upon the Scheme becoming effective, TKSL stood dissolved without being wound up, on the appointed date of the scheme October 3, 2024.

The amalgamation has been accounted for in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. As the amalgamation involved entities under common control, the Company has applied the Pooling of Interests Method.

Accordingly: All the assets, liabilities, and reserves of the Transferor Company have been recorded by the Transferee Company at their respective carrying amounts, and in the same form in which they appeared in the financial statements of the Transferor Company as at the date of amalgamation.

The financial information presented in respect of prior periods in the financial statements has been retrospectively restated from start of financial year.

Inter-company balances and transactions between the entities have been eliminated, and necessary adjustments arising from the alignment of accounting policies and practices have been made through retained earnings

A. Notes forming part of the financial statements

The impact of the amalgamation on the assets, liabilities, and equity of the Transferor Company as at the effective date is summarised below:

| Particulars | Transferor Company | Elimination | Adjustments | As at 31st March 2026 | Transferor Company | Elimination | Adjustments | As at 31st March 2025 |
|-------------------------------|--------------------|-------------|-------------|-----------------------|--------------------|-------------|-------------|-----------------------|
| ASSETS | | | | | | | | |
| Non-current assets | | | | | | | | |
| Property, plant and equipment | 1,891.82 | - | - | 1,891.82 | 1,986.87 | - | - | 1,986.87 |
| Capital work-in-progress | 0.00 | - | - | 0.00 | 530.94 | - | - | 530.94 |
| Other intangible assets | 0.97 | - | - | 0.97 | 2.32 | - | - | 2.32 |
| Right to use assets | 9.53 | - | - | 9.53 | 12.32 | - | - | 12.32 |
| Financial assets | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - | - | - |
| Other financial assets | 909.52 | - | - | 909.52 | 41.37 | - | - | 41.37 |
| Deferred tax assets (net) | 93.07 | - | - | 93.07 | 178.70 | - | - | 178.70 |
| Other non-current assets | 2.62 | - | - | 2.62 | 3.78 | - | - | 3.78 |
| Total non-current assets | 2,907.53 | - | - | 2,907.53 | 2,756.30 | - | - | 2,756.30 |
| Current assets | | | | | | | | |
| Inventories | 1,832.89 | - | - | 1,832.89 | 1,486.49 | - | - | 1,486.49 |
| Financial assets | | | | | | | | |
| Investments (CA) | 90.19 | - | - | 90.19 | 90.19 | - | - | 90.19 |
| Trade receivables | 432.49 | - | - | 432.49 | 386.56 | - | - | 386.56 |
| Cash and cash equivalents | 0.92 | - | - | 0.92 | 2.44 | - | - | 2.44 |
| Other financial assets (CA) | - | - | - | - | 16.44 | - | - | 16.44 |
| Current tax assets (net) | 9.16 | - | - | 9.16 | 8.08 | - | - | 8.08 |
| Other current assets | 50.22 | - | - | 50.22 | 717.27 | - | - | 717.27 |
| Asset held for disposal | 532.13 | - | - | 532.13 | - | - | - | - |
| Total current assets | 2,948.00 | - | - | 2,948.00 | 2,707.47 | - | - | 2,707.47 |
| TOTAL ASSETS | 5,855.53 | - | - | 5,855.53 | 5,463.77 | - | - | 5,463.77 |



Notes to Accounts

A. Notes forming part of the financial statements (Contd...)

(INR in Lakhs)

| Particulars | Transferor Company | Elimination | Adjustments | As at 31st March 2026 | Transferor Company | Elimination | Adjustments | As at 31st March 2025 |
|--|--------------------|-------------|-------------|-----------------------|--------------------|-------------|-------------|-----------------------|
| EQUITY AND LIABILITIES | | | | | | | | |
| Equity | | | | | | | | |
| Equity share capital | 4,170.00 | - | (4,170.00) | - | 4,170.00 | - | (4,170.00) | - |
| Other equity | (15,716.89) | - | 4,170.00 | (11,546.89) | (14,534.60) | - | - | (14,534.60) |
| Total equity | (11,546.89) | - | - | (11,546.89) | (10,364.60) | - | (4,170.00) | (14,534.60) |
| LIABILITIES | | | | | | | | |
| Non-current liabilities | | | | | | | | |
| Financial liabilities | | | | | | | | |
| Lease liabilities | 8.25 | - | - | 8.25 | 13.78 | - | - | 13.78 |
| Other financial liabilities | 346.79 | - | - | 346.79 | 286.75 | - | - | 286.75 |
| Provisions (NC) | 15.46 | - | - | 15.46 | 27.21 | - | - | 27.21 |
| Total non-current liabilities | 370.50 | - | - | 370.50 | 327.74 | - | - | 327.74 |
| Current liabilities | | | | | | | | |
| Financial liabilities | | | | | | | | |
| Borrowings | 13,196.97 | (9,360.00) | - | 3,836.97 | 4,379.44 | (3,000.00) | - | 1,379.44 |
| Lease liabilities (CL) | 2.89 | - | - | 2.89 | - | - | - | - |
| Trade payables | - | - | - | - | 8,663.40 | - | - | 8,663.40 |
| - Micro, small and medium enterprises | 452.42 | - | - | 452.42 | - | - | - | - |
| - Others | 937.24 | - | - | 937.24 | - | - | - | - |
| Other financial liabilities (CL) | 31.62 | - | - | 31.62 | 112.12 | - | - | 112.12 |
| Other current liabilities | 2,090.45 | - | - | 2,090.45 | 2,042.09 | - | - | 2,042.09 |
| Provisions (CL) | 320.31 | - | - | 320.31 | 303.61 | - | - | 303.61 |
| Total current liabilities | 17,031.90 | (9,360.00) | - | 7,671.90 | 15,500.66 | (3,000.00) | - | 12,500.66 |
| Total liabilities | 17,402.40 | (9,360.00) | - | 8,042.40 | 15,828.40 | (3,000.00) | - | 12,828.40 |
| Adjustment pursuant to amalgamation with the Company | - | 9,360.00 | - | 9,360.00 | - | 3,000.00 | 4,170.00 | 7,170.00 |
| TOTAL EQUITY AND LIABILITIES | 5,855.51 | - | - | 5,855.51 | 5,463.80 | - | - | 5,463.80 |

B. Notes forming part of the financial statements

Details of other equity balance transfer on amalgamation of transferor company

| Particulars | Share capital | Capital reserve | General reserve | Share premium | Retained earnings | As at 31st March 2025 |
|-------------------------------------|-----------------|-----------------|-----------------|----------------|-------------------|-----------------------|
| Reserve of transferor company | - | (0.02) | (78.28) | (25.24) | 14,638.13 | 14,534.60 |
| Share capital of transferor company | 4,170.00 | - | - | - | - | (4,170.00) |
| Total | 4,170.00 | (0.02) | (78.28) | (25.24) | 14,638.13 | 10,364.60 |



Notes to Accounts

| Particulars | (INR in Lakhs) | | | | | | Variance (%) |
|---|--------------------------|-------------|--------------------------|-------------|-------------|---------|--------------|
| | Year ended 31 March 2026 | | Year ended 31 March 2025 | | Denominator | % | |
| | Numerator | Denominator | Numerator | Denominator | | | |
| Current Ratio [Current assets / current Liability] | 37,973.15 | 20,555.26 | 30,830.38 | 19,394.20 | 1.59 | 16.35 | |
| Debt-Equity Ratio | 836.97 | 24,958.78 | 1,379.44 | 17,587.45 | 0.08 | - | |
| [Debt/Equity] | | | | | | | |
| Debt service coverage Ratio | 7,024.13 | 925.82 | 6,648.69 | 1,502.20 | 4.43 | 71.00 | |
| [PBID+ Exceptional items/Interest+Interest Due] | | | | | | | |
| Debt service ratio has increased pursuant to amalgamation of The Kolhapur Steel Limited and merger of its debt service cost in current year. | | | | | | | |
| Return on Equity Ratio | 7,169.18 | 21,273.12 | 3,627.62 | 20,590.15 | 18.00% | 89.00 | |
| "[(PAT + Exceptional Items) / (total op. Equity+total cl. Equity)]/2]. The variance in ratio is mainly due to the merger during previous year, which resulted in recognition of merger-related losses and accounting adjustments, thereby reducing the PAT of the year." | | | | | | | |
| Inventory Turnover | 47,778.25 | 7,827.10 | 42,053.14 | 5,630.21 | 7.47 | (18.0) | |
| [Consumption / (op. Inventory + cl. Inventory)]/2] | | | | | | | |
| Trade Receivables Turnover | 68,723.98 | 16,399.45 | 60,188.94 | 13,646.20 | 4.41 | (5.00) | |
| [Sales / (op. receivable+ cl. Receivables)]/2] | | | | | | | |
| Trade Payable Turnover | 47,778.25 | 15,829.79 | 42,053.14 | 14,110.53 | 2.99 | 1.00 | |
| [Consumption/(op.payables+ cl. Payables)]/2] | | | | | | | |
| Net Capital Turnover ratio | 68,723.98 | 17,417.89 | 60,188.94 | 11,436.18 | 5.26 | (25.00) | |
| [Sales/Working Capital] | | | | | | | |
| Net Capital Turnover ratio decreased due to increased inventory level due to change in product mix and increase in input costs due to geopolitical unrest. | | | | | | | |
| Net profit Ratio | 7,169.18 | 68,723.98 | 3,627.62 | 60,188.94 | 6.00% | 67.00 | |
| [(PAT + Exceptional Items) / Sales] | | | | | | | |
| Return on Capital Employed | 5,959.56 | 25,416.01 | 6,457.85 | 18,643.92 | 35.00% | (34.00) | |
| "[PBIT before exceptional items/Total capital employed (NW-DTA+DEBT+DTL)]" | | | | | | | |
| ROCE percentage decreased pursuant to amalgamation of The Kolhapur Steel Limited and merger of its operational losses during the financial year. | | | | | | | |
| Return on Investment | 521.52 | 4,835.35 | 718.53 | 7,796.07 | 9.00% | 22.00 | |
| [ROI= Interest received / Average Outside Investment] | | | | | | | |
| Increase in returns on investments due to increased internal cash accrual compared to PY, the same was parked in liquid funds during the year fetching | | | | | | | |



Notes to Accounts

Note 41: Corporate social responsibility expenditures

(a) Amount required to be spent by the Company during the current year is Rs. 169.70 Lakh

(b) The company as per its policy on Corporate Social Responsibility (CSR) and based on the recommendations and approval of the CSR Committee spent an amount of Rs. 138.77 Lakh on Health, Environmental, Educational and Rural development aid in local area in the current financial year. One CSR project has been identified as an ongoing project, for which amount of Rs. 37.09 lakhs remained unspent as at the end of the financial year. The said amount has been transferred to a designated "Unspent CSR Account" within thirty days from the end of the financial year, in compliance with the statutory requirements.

The said amount will be utilised towards the identified ongoing CSR project in subsequent financial periods, in accordance with the CSR Policy and applicable statutory provisions.

| Financial Year | Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects" | Amount transferred to Special Account within 30 days from the end of the Financial Year | Amount transferred after the due date (specify the date of transfer) |
|----------------|---|---|--|
| FY 2025-26 | 37.09 | 37.09 | - |

Note 42

The company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2026. The disclosure pursuant to the said Act is as under.

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|---------------------|---------------------|
| Total outstanding amount in respect of micro, small and medium enterprises | 3,617.25 | 1,506.39 |
| Other disclosures in respect of micro and small enterprises | | |
| Principal amount due and remaining unpaid | 214.04 | - |
| Interest due on above and unpaid interest | 10.46 | - |
| Interest paid | - | - |
| Payment made beyond appointment day | 6,419.09 | 2,948.67 |
| Interest due and payable for the period of delay | 48.72 | 55.11 |
| Interest accrued and remaining unpaid (excluding interest accrued for earlier years) | 59.18 | 55.11 |
| Amount of Further interest remaining due and payable in succeeding years | 59.18 | 55.11 |

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.

Note 43

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

Note 44

As per the information available with the company, during the year the Company has not entered any transaction with struck off Companies as defined under Sec.248 of the Companies Act 2013 & there is no any outstanding balance with such companies as of 31st March 2026.

Note 45

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

Note 46 - Disclosure in respect of ind as 116, 'leases'

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|---------------------|---------------------|
| Opening right-to-use asset | 139.08 | 200.38 |
| Net addition / (deletion) during the year | 840.21 | - |
| Depreciation charged during the year | (99.49) | (61.30) |
| Closing right-to-use asset | 879.80 | 139.08 |



Notes to Accounts

Note 46 - Disclosure in respect of ind as 116, 'leases' (Contd.)

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|---------------------|---------------------|
| Opening lease liability | 151.33 | 192.20 |
| Net addition / (deletion) during the year | 105.67 | - |
| Add finance cost | 16.21 | 16.05 |
| Lease payments | (75.12) | (41.92) |
| Lease provision | (5.35) | (15.00) |
| Closing lease liability | 192.74 | 151.33 |
| | | |
| Non-Current | 120.48 | 96.68 |
| Current | 72.26 | 54.65 |

Contractual maturities of lease payments

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--------------------|---------------------|---------------------|
| Less than one year | 84.94 | 67.69 |
| Between 1-2 years | 28.47 | 72.16 |
| More than 2 years | 128.03 | 21.13 |

- Total cash outflow for lease arrangements during the year is Rs. 75.12 Lakh and provision made Rs. 5.35 Lakh
- Company has not entered into any sublease arrangements.
- No sale and leaseback transactions were entered into by the Company during the year.

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

| Class of Asset | Dep. For the year | |
|-------------------|-------------------|--------------|
| | 2025-26 | 2024-25 |
| Building | 58.51 | 58.51 |
| Land | 38.19 | - |
| Plant & Machinery | 2.79 | 2.79 |
| Total | 99.49 | 61.30 |

Note 47 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital , share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 30%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

A: Gearing ratio

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|------------------------|------------------------|
| Loans and borrowings | 836.97 | 1,379.45 |
| Less: Cash and Bank balances | 918.94 | 714.77 |
| Net debt | (81.97) | 664.68 |
| Equity | 24,958.79 | 17,587.45 |
| Capital and net debt | 24,876.82 | 18,252.13 |
| Gearing ratio (not applicable since net debt of company is negative) | | |



Notes to Accounts

B: Dividend

(INR in Lakhs)

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|------------------------|------------------------|
| (i) Equity Shares | | |
| Final dividend for the year ended 31 March 2026 is Nil (31 March 2025- Rs Nil) per fully paid share, paid during the year | - | - |
| Interim dividend for the year ended 31 March 2026 of Rs. Nil (31 March 2025- Rs. Nil) per fully paid share | - | - |
| (ii) Proposed dividends not recognised at the end of the reporting period | - | - |

At the year end the directors have not recommended the payment of final dividend (31 March 2025 - Rs. Nil).

Note 48

- (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 49

Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents for the year ended 31 March 2026

| Name of Instrument | Opening Balance | Cash flows | others | Closing Balance |
|---------------------|-----------------|------------|--------|-----------------|
| Right-of-use-assets | 209.67 | - | 105.67 | 315.34 |

Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents for the year ended 31 March 2025

| Name of Instrument | Opening Balance | Cash flows | others | Closing Balance |
|---------------------|-----------------|------------|--------|-----------------|
| Right-of-use-assets | 209.67 | - | - | 209.67 |

Note 50 - Audit Trail

(The audit trail feature at the database level in the Enterprise Resource Planning System (SAP) was not enabled throughout the year. Further, in respect of maintenance of records relating to Property, Plant and Equipment and inventory valuation of Work-in-Progress (WIP), certain records were maintained in MS Excel, which does not have an in-built audit trail feature.

However, access to the database for the accounting software is restricted to a single CIC basis admin user, and any changes, if required, are permitted only with prior approval from the senior management committee, based on the Company's operational and business requirements. Appropriate internal controls have been designed and implemented, and the operating effectiveness of such controls has been ensured by the management.

Further, the Company has engaged a third-party service provider for payroll processing and there is no direct integration between the third-party payroll system and the KPML accounting system. Payroll data received from the service provider is independently verified by the Company's internal team prior to accounting in the books.

Based on the above compensating controls and review mechanisms, management believes that the absence of the audit trail feature in the aforesaid areas does not materially impact the overall internal control environment of the Company. Further, the audit trail, wherever available, has been preserved by the Company in accordance with the applicable statutory record retention requirements.



Notes to Accounts

Note 51

Other Disclosures

- 1) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 2) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 3) Company has made contribution of Rs 200 Lakh to the political party - Bharatiya Janata Party during FY 2025-26. (PY: Rs. 200 Lakh)
- 4) The company has not traded or invested in crypto currency for virtual currency during the year.
- 5) Previous years' figures have been regrouped and reclassified, wherever necessary to conform to current year's classification.

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

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

Pramod Bhise

Partner
Membership No: (F) - 047751
Pune : 27 April 2026

For and on behalf of the Board of Directors

ACHYUT DHADPHALE

Chairman
(DIN 07172828)

SUCHITRA DESHMUKH

Chief Financial Officer

Pune : 27 April 2026

RAVINDRA SAMANT

Managing Director
(DIN: 07002226)

AMIT SHUKLA

Company Secretary

Pune : 27 April 2026



LAKAKI CII AWARD FY24-25



KPML received Gold Recognition in CII Business Excellence FY 24-25



Supplier day awards - KPML..



KARAD PROJECTS AND MOTORS LIMITED

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