



CELEBRATING 50 YEARS OF KINETIC

Date: 07 September 2024

To
The Manager - Corporate Relationship Department
BSE Limited, 1st Floor,
Phiroze Jeejeebhoy Towers,
Fort, Mumbai- 400 001
Maharashtra, India

Scrip Code: BSE-500240

Subject: Annual Report and Notice of 53rd Annual General Meeting of the Company for the Financial Year 2023-24.

Dear Sir/Madam,

Pursuant to Regulation 30 & 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith the Annual Report including Notice of Annual General Meeting for the Financial Year 2023-24, which has been sent to the members by the permitted mode(s).

The said Annual Report including Notice of Annual General Meeting for the Financial Year 2023-24, is also available on the website of the Company.

This is for your information and records.

Thanking you.
Yours faithfully,

For Kinetic Engineering Limited

Ajinkya Arun Firodia
Managing Director and CFO
DIN 00332204

KINETIC ENGINEERING LTD

HEAD OFFICE:
Kinetic Innovation Park
D-1 Block, 18/2 MIDC, Chinchwad,
Pune, Maharashtra 411019, India

FACTORY:
Kinetic Manufacturing Plant
Nagar-Daund Road,
Ahmednagar 414001, India

CONTACT:
+91 20 66142049
www.KineticIndia.com
CIN:L35912MH1970PLC014819



A GOLDEN JUBILEE OF MANUFACTURING & INNOVATION

ANNUAL REPORT

2023-24



Kinetic Group



@thekineticindia



The Kinetic India



@thekineticindia



www.kineticindia.com



KINETIC ENGINEERING LIMITED POISED TO GROW

Dear Shareholders,

As I write this message, I filled with pride and gratitude for what we have achieved together. The true growth lies in our ability to evolve and adapt, constantly pushing the boundaries of excellence. This year marks a significant milestone for Kinetic group as Kinetic Engineering forays into making chassis, swing arms & other body parts for the E-Luna. The circle is now complete and other initiatives are already delivering multi bagger return to our shareholders by touching new highs of company share price.

The global economic landscape is dynamic due to geopolitical issues, particularly stemming from recent conflicts in the Middle East, affecting commodity markets and dampening global growth prospects and also influencing the pace of economic activities While short term fluctuations are part & parcel of the industry, our future is bright by our focus on our strategy, continue to focus on exports, and keep eye on the ever changing EV market.



As strategy spelt out, the company's business has increased with Ashok Leyland and of Mahindra and Mahindra CNG gear boxes (new version). We are further targeting major ramp up in E-Luna Chassis, Fabricated parts and gear boxes on the EV side, and exciting developments can be expected at Kinetic Watts & Volts, the new subsidiary for KEL. We are cementing and strengthen our relationship with our all valued customers. During the financial year, your Company has achieved net profit of Rs. 521.51 lakhs, a 66.58% jump over the previous year's profit. It also achieved revenue growth of 10.42% at Rs. 151.83 cr., compared to last year's revenue of Rs.137.50 cr. Our 50 year + experience now needs to be coupled with refurbishment, addition of technologies & bringing youthful dynamism within our workforce & work places.

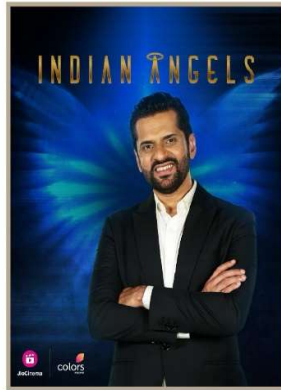
As we navigate the dynamic landscape of Indian automotive, we are committed to delivering excellence and creating long-term value for all our shareholders. I express my heartfelt gratitude to our team for their dedication and hard work.

Regards,

Padmashri Dr. Arun Hastimal Firodia
Chairman Kinetic Engineering Limited



MD AT INDIAN ANGELS SHOW



KINETICALLY YOURS MONTHLY NEWSLETTER



MONTHLY KAIZEN AWARD DISTRIBUTION



NEW OFFICE INAUGURATION

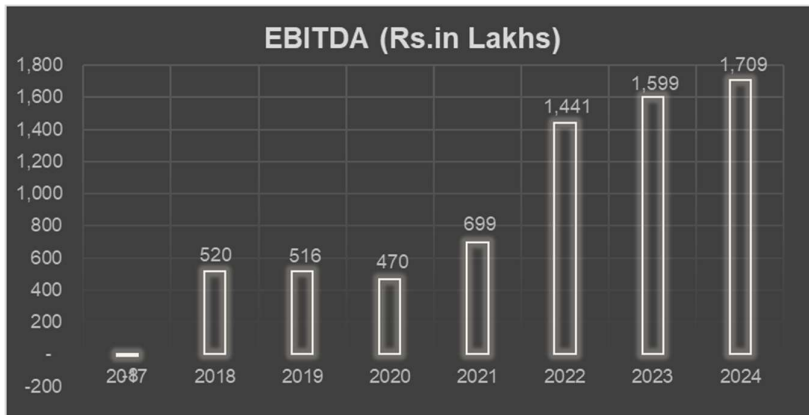


MONTHLY BIRTHDAY CELEBRATION





EPS - There is a substantial improvement in EPS from Rs.1.54 per share in FY 22-23 to Rs.2.33 per share in FY 23-24.



EBITDA – We clocked 17 Crore + EBITDA in FY 23-24



Snapshot of Share Price – KEL stock price reached lifetime high.

BOARD OF DIRECTORS

Mr. Arun Hastimal Firodia	Chairman
Mr. Ajinkya Arun Firodia	Managing Director & Chief Financial Officer
Mrs. Jayashree Arun Firodia	Non-Executive Director
Mrs. Sulajja Firodia Motwani	Non-Executive Director
Mr. Jinendra Hirachand Munot	Independent Director
Mr. Venkataiah Madipalli	Independent Director
Mr. Dattatray Parvati Navale	Independent Director (from 11.08.2023)
Mr. Achal Shirish Kotecha	Independent Director (from 11.08.2023)
Mr. Shirish Ratanlal Kotecha	Independent Director (up to 31.03.2024)
Mr. Ramesh Jankiram Kabra	Independent Director (up to 31.03.2024)
Mr. Rohit Prakash Bafana	Independent Director (up to 13.02.2024 reappointed on 30.05.2024)

CHIEF EXECUTIVE OFFICER

Mr. Chaitanya Koranne

STATUTORY AUDITOR

M/s. Pawan Jain & Associates, Chartered Accountants.

COMPANY SECRETARY

Mr. Chaitanya Mundra

SECRETARIAL AUDITOR

M/s. Dinesh Birla & Associates Company Secretaries.

REGISTERED OFFICE

D-1 Block, Plot No. 18/2, MIDC,
Chinchwad, Pune Pin - 411019.
Phone no.: + 91-020-66142049
Fax no. + 91-020-66142088/89
E-mail: kelinvestors@kineticindia.com
Website: www.kineticindia.com.
CIN: L35912MH1970PLC014819

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
Block No. 202, Akshay Complex, Near Ganesh Temple,
Off Dhole Patil Road, Pune Pin – 411001.
Phone No.: 020 – 26160084, 26161629
Tele Fax No.: 020 – 26163503
E-mail Id: pune@linkintime.co.in

WORKS

Nagar-Daund Road, Ahmednagar, Pin - 414001

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KINETIC ENGINEERING LIMITED

CIN: L35912MH1970PLC014819 Regd. Office: D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019

Tel.: +91 20 661402049 Fax: +91 20 6614 2088/89 E-mail: kelinvestors@kineticindia.com

Website: www.kineticindia.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that an Annual General Meeting of the shareholders of **Kinetic Engineering Limited** will be held on **Monday, 30th September 2024 at 11:30 a.m.** IST, through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following businesses:

ORDINARY BUSINESS:

- 1. Consideration and Adoption of Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2024, and the Reports of the Board of Directors and Auditors thereon.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended 31st March 2024, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

- 2. Consideration and Adoption of Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024, and the Reports of the Auditors thereon.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31st March 2024, and the reports of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

- 3. To appoint a director in place of Mrs. Jayashree Arun Firodia (DIN: 00328499), who attains 81 years' of age and retires by rotation, being eligible, offers herself for re-appointment.**

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Jayashree Arun Firodia (DIN: 00328499) aged 81 years, who retires by rotation at this meeting and being eligible has offered herself for reappointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT any one of the directors and / or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds or things and to file such requisite forms, papers and other documents with Registrar of Companies, as may be deemed expedient to give effect of the foregoing resolution."

SPECIAL BUSINESS:**4. To approve material related party transaction(s) between the Company and Kinetic Green Energy & Power Solution Ltd.**

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘SEBI Listing Regulations’) read with Section 188 of the Companies Act, 2013 (‘the Act’), as may be applicable, and other applicable provisions of the Act, if any, read with related rules, if any, (including any other applicable provisions or statutory modifications or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Company’s Policy on Related Party Transaction(s), and as per the approval of the Audit Committee and Board of Directors of the Company (hereinafter referred to as ‘Board’, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) and subject to requisite statutory/regulatory and other appropriate approvals, if any, as may be required, consent of the Members be and is hereby accorded to the Company to enter into and/or continue the related party transaction(s) / contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), **with Kinetic Green Energy & Power Solution Ltd. for an estimated amount not exceeding Rs. 50 Crore** and accordingly a related party under Section 2(76) of the Act, as per the details provided in the explanatory statement, subject to such related party transaction(s) / contract(s)/ arrangement(s) being carried out at arm’s length and in the ordinary course of business;

“RESOLVED FURTHER THAT the Board of Directors and / or Key Managerial Personnel (KMP) of the Company be and are hereby authorised to do all such acts, deeds, matters and things including but not limited to authorising signatories, deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), arrangement(s), contract(s) and such other document(s), by whatever name called, to make any material modifications to the terms of such related party transactions and to do all such acts, matters and things as may be necessary and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and to delegate all or any of the powers or authorities herein conferred to any director(s) or other officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary;

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect.”

5. To approve material related party transaction(s) between the Company and Kinetic Watts and Volts Ltd.

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘SEBI Listing Regulations’) read with Section 188 of the Companies Act, 2013 (‘the Act’), as may be applicable, and other applicable provisions of the Act, if any, read with related rules, if any, (including any other applicable provisions or statutory modifications or re-enactment thereof for the time being in force),

the Memorandum and Articles of Association of the Company and the Company's Policy on Related Party Transaction(s), and as per the approval of the Audit Committee and Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) and subject to requisite statutory/regulatory and other appropriate approvals, if any, as may be required, consent of the Members be and is hereby accorded to the Company to enter into and/or continue the related party transaction(s) / contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), **with Kinetic Watts and Volts Ltd. for an estimated amount not exceeding Rs. 30 Crore** and accordingly a related party under Section 2(76) of the Act, as per the details provided in the explanatory statement, subject to such related party transaction(s) / contract(s)/ arrangement(s) being carried out at arm's length and in the ordinary course of business;

"RESOLVED FURTHER THAT the Board of Directors and / or Key Managerial Personnel (KMP) of the Company be and are hereby authorised to do all such acts, deeds, matters and things including but not limited to authorising signatories, deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), arrangement(s), contract(s) and such other document(s), by whatever name called, to make any material modifications to the terms of such related party transactions and to do all such acts, matters and things as may be necessary and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and to delegate all or any of the powers or authorities herein conferred to any director(s) or other officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary;

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect."

**By Order of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August 2024
Place: Pune

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip etc. are not annexed to this Notice. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.kineticindia.com. The Notice can also be accessed from the website of the Stock Exchange BSE Limited at www.bseindia.com. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
8. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020

dated 13th April, 2020 and MCA Circular No. 20/2020 dated May 05, 2020. The AGM will be held through VC, the Route Map is not annexed in this Notice.

9. In continuation to this Ministry's **General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.
10. Members may note that the Notice of the AGM and the Annual Report for the Financial Year 2023-24 will also be available on the Company's website at <https://kineticindia.com/> websites of the Stock Exchanges, i.e. BSE Limited at www.bseindia.com.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on **Friday, 27th September, 2024 at 09.00 A.M. IST and ends on Sunday, 29th September, 2024 at 5.00 P.M IST**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; kelinvestors@kineticindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

1. General Instructions:

- (i) The Board of Directors have appointed M/s Dinesh Birla & Associates as the Scrutinizer to the e-voting process, and voting at the AGM in a fair and transparent manner.
 - (ii) The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system of CDSL.
 - (iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favor or against, if any, to the Chairman who shall countersign the same.
 - (iv) The scrutinizer shall submit his report to the Chairman as the case may be, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.
2. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman/person of the Meeting or a person authorized by him/her in writing, who shall countersign the same and declare the results of the voting forthwith.
3. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.kineticindia.com, on the website of BSE Limited www.bseindia.com and also on the website of CDSL at www.evotingindia.com immediately after the declaration of result by the Chairman/person of the Meeting or the person authorized by him / her in writing.
4. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM.

**By Order of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August 2024
Place: Pune

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (THE "ACT"), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE DATED 14TH AUGUST, 2024

Item No. 3: To appoint a director in place of Mrs. Jayashree Arun Firodia (DIN: 00328499), who attains 81 years' of age and retires by rotation, being eligible, offers herself for re-appointment.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

The Board hereby recommends for the reappointment of Mrs. Jayashree Arun Firodia (DIN: 00328499) aged 81 years, as Non-Executive Director of the Company who will retire by rotation.

The Board of Directors is of the opinion that Mrs. Jayashree Arun Firodia is a person of integrity; possess relevant expertise and vast experience. Her association as Non-executive director will be beneficial and in the best interest of the Company. The brief resume of said Director as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as **Annexure A**.

The Board of Directors accordingly recommends the Special Resolution as mentioned in Item No. 3 of this Notice for approval of the Members of the Company.

Mr. Arun Hastimal Firodia, Mrs. Jayashree Arun Firodia, Mrs. Sulajja Firodia Motwani and Mr. Ajinkya Arun Firodia may be deemed to be interested, financially or otherwise, in the resolution as set out at Item No. 3 of the Notice.

Except these, none of the other Directors and Key Managerial Personnel are deemed to be concerned or interested, financially or otherwise in the proposed Special Resolution.

Annexure - A

Details of Director seeking appointment/ re-appointment at the Annual General Meeting [In pursuance of Corporate Governance provision of Listing Regulations, 2015]	
Name of the Director	Dr. Jayashree Arun Firodia
Date of Birth (Age)	26 January, 1943 (81 years)
DIN	00328499
Date of Appointment	27/10/2017
Qualification	M.B.B.S., D. Ch. University of London USA, AMIE (India)
Directorship as on 31 st March, 2024	<ol style="list-style-type: none"> 1. Kinetic Engineering Ltd 2. Kinetic Watts and Volts Limited 3. Kinetic Hyundai Elevator & Movement Technologies Ltd 4. MV Agusta India Pvt Ltd 5. Ajinkya Auto Fab Ltd 6. Jaya Hind Mechanics Ltd 7. Motoroyale Kinetic Private Limited
Chairmanship/Membership of Committees of other Companies as on 31 st March, 2024.	N/A

Shareholding in the Company	39,25,222
Brief profile	An eminent Pediatrician from Pune. She has completed her M.B.B.S. in first class from B J Medical College, Pune in 1966 and D. Ch. from University of London in 1970. She has a rich experience of over 40 years in Medical Science as a Pediatrician and General Management. Currently, she is an active member of the Board of Directors of various Kinetic Group companies and designated as Promoter Director in Kinetic Engineering Ltd.

Item No. 4: To approve material related party transaction(s) between the Company and Kinetic Green Energy & Power Solution Ltd. and Item No. 5: To approve material related party transaction(s) between the Company and Kinetic Watts and Volts Ltd.

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 (“the Act”), the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of an Ordinary resolution in case the value of the Related party transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in Ordinary course of business and on arm’s length basis.

Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) provides that all material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) of Regulation 23 shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. **A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.**

The details of the aforesaid transactions are captured under “Annexure B” of this AGM Notice which are in the ordinary course of business and on arm’s length basis and are in accordance with Related Party Transactions Policy of the Company. These transactions are undertaken for smooth business operations and overall growth of the business of the Company.

The value of such transaction(s) (individually or taken together with previous transactions) for the proposed items item nos. 4 and 5, during the tenure of the resolution, may exceed Rs. 1,000 crores or 10% the annual consolidated turnover of the Company as per the last audited financial statements of the Company i.e. for FY 23, whichever is lower, and hence, approval of the shareholders of the Company by way of an ordinary resolution mentioned at Item Nos. 4 and 5 are being sought.

The Audit Committee of the Company consisting only of Independent Directors, and the Board of Directors, have, based on relevant details provided by the management, held on 30th May 2024, reviewed and approved the said transaction(s), while noting that such transactions shall be on arms' length basis and in the ordinary course of business and are in accordance with Related Party Transactions Policy of the Company.

The Board accordingly recommends the resolutions set out at Item Nos. 4 and 5 of this Notice for approval by the Members by way of an ordinary resolution.

It is in the above context that the Resolutions Nos. 4 and 5 proposed for the approval of the Shareholders of the Company.

Mr. Arun Hastimal Firodia, Mrs. Jayashree Arun Firodia, Mrs. Sulajja Firodia Motwani and Mr. Ajinkya Arun Firodia may be deemed to be interested, financially or otherwise, in the resolution as set out at Item No. 4 and 5 of the Notice.

Except these, none of the other Directors and Key Managerial Personnel are deemed to be concerned or interested, financially or otherwise in the proposed Special Resolution.

Annexure B

The disclosures under Rule 15(3) (ii) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended as enumerated herewith:

(a) Name of the related party	Kinetic Green Energy & Power Solution Ltd.	Kinetic Watts and Volts Limited
(b) Name of the Director or Key Managerial Personnel who is related, if any	Mr. Ajinkya A. Firodia, Mr. Arun H. Firodia, Dr. Jayashree A. Firodia and Ms. Sulajja Firodia Motwani, may be deemed to be interested in the resolution. Except them, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the above said resolution.	Mr. Ajinkya A. Firodia, Mr. Arun H. Firodia, Dr. Jayashree A. Firodia and Ms. Sulajja Firodia Motwani, may be deemed to be interested in the resolution. Except them, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the above said resolution.
(c) Nature of Relationship	Kinetic Green Energy & Power Solution Ltd is a 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Kinetic Watts and Volts Limited is Direct Subsidiary of the Company & hence a Related Party.
(d) Nature, material terms, monetary value and particulars of the contract or arrangements;	Value of the transaction (Rs) - Not exceeding Rs. 50 crores (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) for F.Y 2024-25. The transactions are Sale/Supply of goods /materials/tools, rent and shared services.	Value of the transaction (Rs) - Not exceeding Rs. 30 crores (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) for FY F.Y 2024-25. The transactions involves: Sale, Purchase, Supply of goods /materials, Availing/rendering of services, Receipt & Payment of Interest on Loans & Advances, Investments, borrowings, lending, and other recurring transactions for furtherance of business.
(e) Any other information relevant or important for the members to take a decision on the proposed resolution.	All-important or relevant information have been provided in the foregoing paragraphs of the explanatory statement.	All-important or relevant information have been provided in the foregoing paragraphs of the explanatory statement.

**By Order of the Board of Directors
For Kinetic Engineering Limited**

**S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)**

**Date: 14th August 2024
Place: Pune**

*Members are requested to support the "Green Initiative" by registering their email address with the Registrar & Share Transfer Agent (RTA)/Company, if not already done.

DIRECTORS' REPORT – 2023-2024

To The Members,

Your Director are pleased to present the 53rd (Fifty Third) Annual Report of Kinetic Engineering Limited (KEL) along with the Audited Financial Statements (Standalone as well as Consolidated) for the financial year ended 31st March, 2024. This Board's Report is prepared based on the standalone financial statements of the Company and presents the key highlights of performance of subsidiary and their contribution to the overall performance of the Company during the year under review.

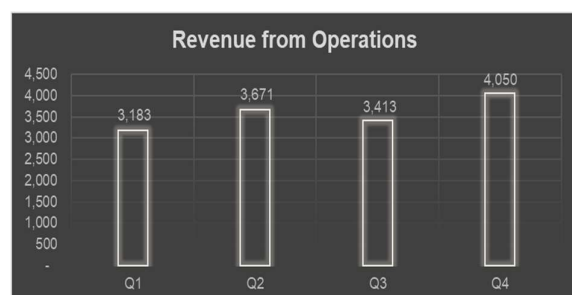
1. FINANCIAL SUMMARY AND HIGHLIGHTS

(INR in Lakhs)

Particulars	31 st March, 2024	31 st March, 2023
Total Revenue	15,183.45	13,750.93
Profit/(Loss) before Interest, Depreciation, Tax and Other Amortizations ("EBIDTA")	1,708.88	1,599.38
Less : Depreciation and Amortization Expenses	642.09	647.62
Finance Cost	545.28	638.69
Tax Expenses – Net	-	-
Profit/(Loss) for the year	521.51	313.07
Other Comprehensive Income	(4.22)	(5.98)
Total comprehensive income/(loss) for the year	517.29	307.09

During the financial year, your Company has achieved net profit of Rs. 521.51 lakhs, a 66.58% jump over the previous year's profit. It also achieved revenue growth of 10.42% at Rs. 151.83 cr., compared to last year's revenue of Rs. 137.50 cr.

Your company continues to pursue its strategy of adding new strategic customers & programs and exports led growth while investing in cost saving initiatives and improved profitability.



2. AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES

Your Directors do not propose to transfer any amounts to the general reserves of the Company, instead have recommended to retain the entire profits for the financial year ended 31st March, 2024 in the profit and loss account.

3. DIVIDEND

Considering the future business expansion & growth of the Company Board does not recommend any dividend for the Financial Year 2023-24. Your Company's policy on Dividend Distribution is available at www.kineticindia.com/policies under Investor Relations Section.

4. STATE OF THE COMPANY'S AFFAIRS

The performance of businesses is detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

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

6. CHANGE IN THE NATURE OF BUSINESS

The Company has not changed its nature of business during the financial year ended 31st March, 2024.

7. CAPITAL AND DEBT STRUCTURE

Authorized share capital

There was no change in authorized share capital of the Company. During the year, the company has reclassified Authorised Share Capital subsequently alter the Memorandum of Association. The Authorized share capital of the Company at year end Rs. 1,95,90,82,530/- comprises of Equity and Preference shares.

Subscribed and Paid-up share capital

Issued, subscribed and paid-up share capital of the Company at the year end is Rs. 42,75,67,260/- comprises of Equity and Preference shares.

During the year the Board, Issue and allotted 22,85,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 120/- per share including a premium of Rs. 110/- per share aggregating to Rs. 27,42,00,000/- and 80,000 8.00% Optionally Convertible Cumulative Preference Shares (OCCPS) at Rs. 120/- per share aggregating to Rs. 96,00,000/- on Preferential Basis to the Promoters of the company.

8. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Section 124 applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the unpaid or unclaimed dividends are required to be transferred to the IEPF established by the Central Government, upon completion of seven (7) years. Further, according to the Investor Education & Protection Fund ("IEPF") Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for seven (7) consecutive years or more shall also be transferred to the demat account created by the IEPF

Authority. Your Company does not have any unpaid or unclaimed dividend which is required to be transferred to the IEPF as on the date of this Report.

9. MANAGEMENT

Directors and Key Managerial Personnel

As on 31st March 2024, our Board comprised of Ten members, headed by a Non- Executive Chairman, One Executive Director and Eight Non-Executive Directors, where in Six are Independent Directors. Two out of Ten members are women directors. The composition of Board is in accordance with the requirements of Listing Regulations 2015 & Companies Act, 2013.

Changes in Directors and Key Managerial Personnel during year

Mr. Dattatray Parvati Navale and Mr. Achal Shirish Kotecha appointed as an Independent Director w.e.f. 11th August, 2023. Mr. Shirish Ratanlal Kotecha & Mr. Ramesh Jankiram Kabra has completed their second and final term as an Independent Director in Company and consequently ceased to be a Director of the Company w.e.f. closing hours of 31st March, 2024.

Further Mr. Rohit Prakash Bafana has completed his term as an Independent Director in Company and consequently ceased to be a Director of the Company with effect from 13th February, 2024. The board has appointed him as an Independent Director w.e.f. 30th May, 2024 and subsequently members approved his appointment through postal ballot dated 30th June, 2024.

In the last AGM held on 29th September, 2023 shareholders approved the reappointment of Mr. Arun Hastimal Firodia as a Non-Executive Director. Further Mrs. Jayashree Arun Firodia, Director of the Company, who attains 81 years' of age and retires by rotation, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

During the year under review, there is no change occurred in the Key Managerial Personnel of the Company.

Declaration given by Independent Directors

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence as provided under section 149(6) of the Companies Act, as amended, and regulation 16 of the SEBI Listing Regulations.

The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors. The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

Lead Independent Director

Mr. Jinendra Hirachand Munot acts as the “Lead Independent Director” and co-ordinates with the company senior management on behalf of the other independent directors for various information flow and advising on improvement areas, among others.

Familiarization Program for Independent Directors

The Company has in place a familiarization program for its Independent Directors. The objective of the program is to familiarize Independent Directors on our Board with the business of the Company, industry in which the Company operates, business model, challenges etc. through various programs which includes interaction with subject matter experts within the Company, meetings with our functional leads etc. on regular basis.

Statement regarding Opinion of the Board with regard to Integrity, Expertise and Experience (Including the Proficiency) of the Independent Directors appointed during the Year

Mr. Dattatray Parvati Navale and Mr. Achal Shirish Kotecha are the independent Directors of the Company appointed during the year. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of Independent Directors on the Board.

Board Meetings

The Board met Five (5) times during the financial year 2023-24 viz. 30-May-23, 11-Jul-23, 11-Aug-23, 09-Nov-23 and 13-Feb-24.

Audit Committee

All the Committee members are Non-Executive Independent Directors. All the Members of the Committee possess sufficient accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committees also. The recommendations of the Audit Committee during the year were accepted by the Board.

Nomination & Remuneration Committee

All the Committee members are Non-Executive Independent Directors. The Company Secretary of the Company is the Secretary of the Committees also. The recommendations of the Committee on the director remuneration during the year were accepted by the Board.

Board Diversity and Policy on Director’s Appointment and Remuneration

Your Company have always strived for relevant diversity in the Board representing a healthy mix of gender & experience. The policy on ‘Nomination and Remuneration’ and ‘Board Diversity’ adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / reappointment as a Director or as KMP, with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin.

The detailed Nomination & Remuneration Policy is annexed as **Annexure-IV** and forms part of this Report and is also available on the website of the www.kineticindia.com/policies under Investor Relations Section.

Stakeholders Relationship Committee

The Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. All the Committee members are Non-Executive Independent Directors. The Company Secretary of the Company is the Secretary of the Committees also.

Risk Management Committee

The Company was not covered under the regulation 21 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Hence it's not required to form Risk Management Committee.

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, Independent Directors at their discussion, without the participation of the Non-Independent Directors and Management, evaluated the Boards' performance, Performance of the Chairman and other Non-Independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which forms part of the Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) In the preparation of the annual accounts for the Financial Year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors had in consultation with Statutory Auditors, selected 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 as at 31st March, 2024;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;

- (e) The Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31st March, 2024;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2024.

10. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal control system commensurate with its size and nature of business for ensuring efficiency of operations, adherence to management policies and protection of company's assets. The Company's Audit Committee periodically reviews the internal control systems and compliance with Company's policies, procedures and laws.

11. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As of 31st March, 2024, your Company have one subsidiary company i.e. Kinetic Watts and Volts Limited. The statement under Section 129(3) of the Companies Act, 2013 in respect of the subsidiaries in Form AOC-1 is attached as **Annexure III**. The Consolidated Accounts of your Company duly audited by the Statutory Auditors are presented as part of this Report. Apart from this subsidiary Company does not have any other subsidiary, associate or a joint venture company.

12. DEPOSITS

During the year under review, your Company had not accepted any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 4 & 5 of Notes to the Financial Statements.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company has undertaken Related Party Transaction which are executed in the ordinary course of business and at arm's length basis. As required under the Listing Regulations, 2015, Related party transactions are placed before the Audit Committee for approval. At the beginning of the financial year, prior approval of the Audit Committee is obtained on an omnibus basis for continual transactions. The corresponding actual transactions then become a subject of review by the Committee at subsequent meetings.

There has been no materially significant Related Party Transactions during the year under review, having potential conflict with the interest of the Company. Necessary disclosures required under the Accounting Standard (AS) have been made in the Notes to the Financial Statements for the year ended 31st March, 2024.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014), the statement containing details of the related party transaction at the arm's length in the form AOC-2, has been attached to this report as **Annexure-II**.

Pursuant to Regulation 23(9) of the Listing Regulations, the Company has filed the half yearly reports on related party transactions with the stock exchanges on which the shares of the Company are listed.

The policy on Related Party Transactions as approved by the Board is available on the Company's website at www.kineticindia.com/policies under Investor Relations Section.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is not having a net worth of Rs. 500 Crores or more or its turnover does not exceed Rs. 1000 Crores or more or its net profit does not exceed Rs. 5 Crores or more and hence, it is not required to frame a CSR policy or spend amount on CSR as per the provisions of Section 135 of Companies Act, 2013.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure I** to this Report.

17. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Management has put in place adequate and effective system and man power for the purpose of risk management. To identify the risk associated with the Company well in advance and implement appropriate mechanism to mitigate the risk is an essence of business. The management and every employee of the Company is committed to observe the risk management techniques.

18. MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

19. AUDITORS

Statutory Auditor

The Board has approved the appointment of M/s Pawan Jain & Associates (FRN: 0107867W) Chartered Accountants, Pune to hold office for five years until the conclusion of Annual General Meeting to be held in the calendar year 2027 in accordance with the provisions of Section 139 of the Companies Act, 2013.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s Pawan Jain & Associates, Statutory Auditors, in their report for the financial year ended 31st March, 2024.

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the statutory auditors have not reported any incident of fraud to the Audit Committee during the year under review.

Secretarial Audit – FY 2023-24

Mr. Dinesh Birla, proprietor of Dinesh Birla and Associates, Practicing Company Secretaries was appointed by the Board to conduct the audit of the Company's Secretarial Records in respect of the financial year 2023-24. The Board has taken corrective action for remarks mentioned in Secretarial Audit report appears as in **Annexure – VI**.

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the secretarial auditors have not reported any incident of fraud to the Audit Committee during the year under review.

Secretarial Auditor – FY 2024-25

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Birla, Practicing Company Secretary (Certificate of Practice No.: 13029) to undertake the Secretarial Audit of the Company for the financial year 2024-25.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

20. COMPLIANCE WITH SECRETARIAL STANDARD

The Company generally complies with all the applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India.

21. CORPORATE INSOLVENCY RESOLUTION PROCESS

Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016, against the Company.

During the year the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 and no proceeding is pending under the Code.

22. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for the financial year 31st March, 2024 is uploaded on the website of the Company and can be accessed at www.kineticindia.com under Investor Relations Section.

23. ONE TIME SETTLEMENT AND VALUATION

During the year the Company has not made any one-time Settlement and Valuation.

24. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place, the requisite Internal Committee as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints on the issues covered by the above Act were received, during the year. During the year Company conducted multiple training session and programs for stakeholders on the prevention of sexual harassment at work place.

POSH Policy of the Company is available on the Company's website at www.kineticindia.com/policies under Investor Relations Section.

25. THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year no companies come or ceased to be its subsidiaries, joint ventures or associate companies.

26. REMUNERATION OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-V** and forms part of this Report.

27. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/Employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Policy can be accessed from the company's website at www.kineticindia.com/policies under Investor Relations Section.

28. OTHER DISCLOSURES

Consolidated Financial Statements: The Consolidated financial statements of the Company and its subsidiaries for FY 2023-24 are prepared in compliance with the applicable provisions of the Companies Act, 2013 and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor's Report thereon forms part of this Annual Report.

Internal Audit: The Company has the Internal Audit department which provides an appropriate level of assurance on the design and effectiveness of internal controls, its compliance with operating systems and policies of the Company at all locations. Based on the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective measures thereon are presented to the Audit Committee.

Credit Rating of Securities: CRISIL Ratings has assigned its 'CRISIL BB+/Stable' rating to the bank facilities of Kinetic Engineering Limited (KEL).

Total Bank Loan Facilities Rated	Rs.25 Crore
Long Term Rating	CRISIL BB+/Stable (Assigned)

Industrial Relations: During the year under review, the industrial relations remained cordial.

Accounting treatment in preparation of financial statements: The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with Section 133 of the Companies Act, 2013.

Listing Fees: Your Company has paid requisite annual listing fees to BSE Limited (BSE) where its securities are listed.

Return on Equity: Return on Equity of the Company for last three years -

Year	% of ROE (Standalone Basis)
2023-24	11.76
2022-23	15.10
2021-22	13.31

Details of revision of financial statement or the Report: There was no revision in the Financial Statements.

Director Knowledge Session: During the year under the review Company conducted session on topic likes future economic outlook in automobile industry, legal & regulatory updates, skill & knowledge improvements etc. Majority directors attained these sessions.

29. ADDITIONAL DISCLOSURES UNDER LISTING REGULATIONS

Statement of deviation or variation: There was no deviation or variation in connection with certain terms of preferential issue, OCCPS, etc.

Management Discussion and Analysis Report: Management Discussion and Analysis as required under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided separately in the Annual Report.

Corporate Governance Report: Your Directors are pleased to report that your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder's value. Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Section titled Report on Corporate Governance has been included in this Integrated Annual Report and the certificate of M/s. Pawan Jain & Associates., Chartered Accountants, Pune the Statutory Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated under relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained and annexed with the report on Corporate Governance.

Suspension of Trading: The Company's securities were not suspended for trading during the year.

30. ACKNOWLEDGEMENT

The Directors' express their sincere thanks to Central & State Governments, Financial Institutions, banks who have extended their support in form of Credit Facilities, suppliers and stakeholders for the support extended to the Company and also wish to place on record their appreciation of the dedicated services rendered by the employees of the Company.

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

**Date: 14th August, 2024
Place: Pune**

Annexure I

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A.) Conservation of Energy:

1. Details of steps taken during previous year for conserving electrical energy:

Sr. No.	Point Details	Saving	Saving Amount (In Rs.)
1	Maximum demand control against sanction of 2500 KVA	1,982 KVA	-
2	Ideal machine cut off by introducing timers	6,728.92 KWH	61,838
3	Energy efficient tube light to be replacing 250 W Mercury fittings	33,192 KWH	3,05,034
4	Maintaining power factor throughout year	0.98	-
5	We start solar plant (16/2/22) and generate unit.	19,04,733 KWH	7352269
6	we generate approx next year	21,60,000	83,37,600
7	Switch off Lights, Fan, Machines, Air Valves when not required	-	-
6	Oil Leakage Arrest	-	-
8	Air Leakage to be stopped and Fixing Air Gun as per requirement	-	-
9	Daily Shopwise, Cell wise Energy Audit and Record	-	-
10	We have replaced one Energy saving Screw Compressor 750 CFM,110 KW motor, Instead of CPT compressor 150 KW slipping Induction Motor	2,01,600 KWH	18,14,000

2. Steps taken by the Company for utilizing alternative sources of energy: Solar plant installation.
3. Due to solar initiative we generate approx. next year 21,60,000 unit (approx. saving p.a. Rs. 83,37,600).
4. Capital Investment in energy conservation: Nil

B.) Technology Absorption:

1. The efforts made towards technology absorption:
 1. Production of Axles and gear boxes for EV application.
 2. Production of electric two-wheel gear box ramp-up.
 3. More customers approached for EV gear boxes with their desired ratios.
 4. Fully closed assembly lines for EV axle and gear boxes.
 5. Full new line productionised for Electric two-wheel chassis and other parts.
 6. Put into production fully upgraded paint shop to switch from diesel heating to LPG.
 7. Changeover of Oil furnace heating to electric in hammer forging.
 8. Vision camera PokaYoke for hobbing machine.
 9. Upgraded EOL for MTBL gear box with Hydraulic load and bar code scanner.

10. Upgradation of CMM, Klingelnberg gear testing with new software and hardware.
 11. New Spectrometer and microhardness tester introduced.
 12. Induction hardening of Gear box parts insourcing with new machine.
2. Benefits derived as a result of the above efforts:
13. Cost saving shown in last column of energy conservation
 14. Use of solar power with green energy to minimize pollution
 15. Use of electric heating against oil/ diesel to reduce pollution, and cost saving for new technology
 16. In-house Skill development
 17. Increased business from Ev market which is the future of automobiles
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil
4. The expenditure incurred on Research and Development: INR 206 Lakhs (Previous Year INR 185 Lakhs)

C.) Foreign Exchange Earnings and Outgo:

The Company continues to strive to improve its export earnings. The information on foreign exchange earnings and outgo for the year under review are as under:

S. N.	Particulars	INR in Lakhs
1	Total foreign exchange earned in terms of actual inflows	5458.31
2	Total foreign exchange outgo in terms of actual outflows	31.63

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August, 2024
Place: Pune

Annexure II

**FORM AOC – 2
DETAILS OF RELATED PARTY TRANSACTION**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1.	Details of contracts or arrangements or transactions not at arm's length basis:	
	(a) Name(s) of the related party and nature of relationship	There were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2023-24.
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts/arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) Date of approval by the Board	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
	(a) Name(s) of the related party and nature of relationship	There were no material (exceeding 10% of consolidated turnover) contracts or arrangements or transactions entered into during the year ended 31 st March, 2024.
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts/arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Date of approval by the Board	
	(f) Amount paid as advances, if any:	

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August, 2024
Place: Pune

Annexure - III**FORM AOC-1****STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES**

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A Subsidiaries

1.	Name of the Subsidiary	Kinetic Watts And Volts Limited
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	1 st April, 2023 to 31 st March, 2024
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Reporting Currency – Indian Rupees
Financial Details as on 31st March, 2024		Amount in Rs. In Lakhs
4.	Paid Up Share Capital	1,854.60
5.	Reserves & Surplus	-26.42
6.	Total Assets	1,896.77
7.	Total Liabilities	1,896.77
8.	Investments	401.62
9.	Turnover	-
10.	Profit before taxation	-23.70
11.	Provision for taxation	-
12.	Profit after taxation	-23.70
13.	Proposed Dividend	-
14.	% of Shareholding	75.65%

Notes:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil
- Part B of the Annexure is not applicable as there are no Associate Companies / Joint Ventures of the Company as on 31st March, 2024.

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August, 2024
Place: Pune

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**1. PREAMBLE**

The Vision statement of the Company itself is “To give better life to our people”. Monetary compensation has always been one of the motivational aspect of every employee in every industry. It is the endeavour of the Company to follow the best trade practices and to pay appropriate remuneration to the Directors, KMP’s and all the employees of the Company. The Company strives that its Nomination and Remuneration policy should attract, motivate and retain its manpower and provide a better work environment. Considering all these factors this Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. OBJECTIVE

The Nomination and Remuneration Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the policy would be:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Further the Nomination and Remuneration Committee shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to obtain external professional advice, if necessary.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company shall constitute the Nomination and Remuneration Committee as in line with the requirements of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Chairman of the Committee shall be an Independent Director. However, the chairperson of the Company (whether executive or

nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. The Board has the authority to reconstitute the committee from time to time.

4. **DEFINITIONS**

“**Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company. “**Company**” means Kinetic Engineering Limited.

“**Independent Director**” means a Director as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Key Managerial Personnel**” means Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; Chief Financial Officer; Company Secretary; and Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. **APPOINTMENT CRITERIA AND QUALIFICATIONS**

- The appointment of Director, KMP or at Senior Management level should be identified and ascertained based on the integrity, qualification, expertise and experience of the personnel.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole- Time Director who has attained the age of seventy- five years. Provided that the term of the person holding this position may be extended beyond the age of seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as Director in any company, with the permission of the Board of Directors of the Company.

6. TERM/TENURE

Managing Director/Whole-Time Director: The Company shall not appoint or reappoint any person as Managing Director or Whole- Time Director for a term not exceeding 5 years. No reappointment shall be made earlier than one year before the expiry of the term.

Independent Director: An Independent Director shall hold office for a term, up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

7. REMOVAL

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

8. RETIREMENT

The Whole-Time Directors, KMP, and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing HRD policy of the Company. The Board will have the discretion to retain the Whole- Time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the company after necessary compliance of the Laws as applicable to the Company.

9. PROVISIONS FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- The Remuneration/Compensation/ Commission etc. to be paid to Director/ Managing director etc. shall be in line with the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- The remuneration/ compensation/ commission to the Non-Executive Independent Director shall be as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, expertise and job complexity.
- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

OTHER POLICIES AT THE GLANCE

A. Preservation & Archival Policy:

Pursuant to Regulation 9 of Listing Regulations, 2015, the Board of Directors has adopted Policy on Preservation of Documents. This Policy envisages the procedure governing preservation of documents as required to be maintained under the various statutes. The Policy can be accessed from the Company's website at www.kineticindia.com/policies under Investor Relations Section.

B. Policy on Materiality of Event:

Pursuant to Regulation 30(8) of Listing Regulations, 2015, every listed company shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company. Accordingly, the Board of Directors has approved the 'Archival Policy'. The Policy can be accessed from the Company's website at www.kineticindia.com/policies under Investor Relations Section.

C. Policy on Determination of Materiality for Disclosures of Events or Information:

Pursuant to Regulation 30 of Listing Regulation 2015, the Board of Directors has adopted the Policy for Determination of Material Events or information. The objective of the Policy is to ensure timely and adequate disclosure of material events or information. The Policy can be accessed from the company's website at www.kineticindia.com/policies under Investor Relations Section.

D. Whistle Blower Policy:

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/Employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Policy can be accessed from the company's website at www.kineticindia.com/policies under Investor Relations Section.

Note: Other policies are available on the website of the Company at www.kineticindia.com/policies under Investor Relations Section.

Annexure V

Information pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year ended 31st March, 2024

Name	Designation	Ratio of remuneration to the median remuneration of employees	% increase in the financial year
Mr. Arun Hastimal Firodia	Chairman Non-Executive Director	NA*	NA*
Mrs. Jayashree Arun Firodia	Non-Executive Director	NA*	NA*
Mrs. Sulajja Firodia Motwani	Non-Executive Director	NA*	NA*
Mr. Ajinkya Arun Firodia	Managing Director	31.36	-
Mr. Shirish Ratanlal Kotecha	Independent Director	NA*	NA*
Mr. Ramesh Jankiram Kabra	Independent Director	NA*	NA*
Mr. Jinendra Hirachand Munot	Independent Director	NA*	NA*
Mr. Venkataiah Madipalli	Independent Director	NA*	NA*
Mr. Dattatray Parvati Navale	Independent Director	NA*	NA*
Mr. Achal Shirish Kotecha	Independent Director	NA*	NA*
Mr. Chaitanya Koranne	Chief Executive Officer	-	-
Mr. Chaitanya Mundra	Company Secretary	7.14	-

*Non-Executive Non-Independent Directors & Independent Directors were in receipt of sitting fees only. Do not draw any remuneration from the Company.

2. The median remuneration of the employees of the Company during the financial year ended 31st March, 2024 was Rs. 2,52,000 /-
3. The percentage increase in the median remuneration of employees in the financial year – N.A.
4. The number of permanent employees on the rolls of the Company: 594
5. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
6. We confirm that the remuneration is as per the remuneration policy recommended by the Nomination and Remuneration Committee of the Company and adopted by the Company.

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August, 2024
Place: Pune

FORM NO. MR 3
Secretarial Audit Report

[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 Board of Directors
Kinetic Engineering Limited
D 1 Block, Plot No. 18/2,
Chinchwad, Pune - 411019

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

Based on my verification of the 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 ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended by The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 upto 15th August, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from 16th August, 2021; **(Not applicable to the Company during the Audit Period)**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **(Not applicable to the Company during the Audit Period)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned under:

Mr. Rohit Bafna ceased to become Independent Director of the company w.e.f 13th February, 2024 due to the expiry of his 5 year term. Investments in subsidiary company M/s. Kinetic Watts & Volts

Limited was made on 3rd August, 2023. Disclosure under Regulation 30 and XBRL for the same have been submitted on 20th April, 2024 and 4th June, 2024 respectively.

I further report that:

As on 31st March 2024 the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

During the period under review, resolutions were carried out through majority decisions. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the Meetings held during the period under review.

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.

We further report that during the audit period, following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

The Company had issued and allotted 22,85,000 (Twenty-Two Lakh Eighty-Five Thousand) Equity Shares of the face value of INR 10/- each (INR Ten Only) fully paid up at an Issue Price of INR 120/- (INR One Hundred Twenty only) including Premium of INR 110/- (INR One Hundred Ten only) per share an on Preferential Allotment basis to the Promoters and promoter group.

The Company had allotted 80,000 (Eighty Thousand only) 8.00% Optionally Convertible Cumulative Preference Shares (OCCPS) of face value of INR 120/- (INR One Hundred Twenty only) per share at par on Preferential Allotment basis to the Promoters and promoter group.

Considering the above said allotment of Equity shares and OCCPS, paid-up share capital of the Company stands increased to Rs. 42,75,67,260/-

Apart from above the Company has obtained the shareholders' approval through postal ballot notice dated 11th July, 2023:

- a. Reclassification of Authorised Share Capital of the company and subsequent alteration of Memorandum of Association.
- b. To sell Non-Core assets of the company.
- c. To increase limits under Section 186 of the Companies Act, 2013 upto Rs. 100 Crores (Rupees One Hundred Crores only).

**For Dinesh Birla & Associates
Company Secretaries**

S/d

Dinesh Birla, Proprietor

FCS: 7658, CP No.: 13029

PRC No.: 1668/2022

UDIN: F007658F000975451

Place: Pune

Date: 14th August, 2024

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

Annexure - A

To,
The Board of Directors
Kinetic Engineering Limited
D 1 Block, Plot No. 18/2,
Chinchwad, Pune – 411019

Our Secretarial Audit report of even date is to be read together with this letter:

I further report that:

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 our audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Dinesh Birla & Associates
Company Secretaries

S/d
Dinesh Birla, Proprietor
FCS: 7658, CP No.: 13029
PRC No.: 1668/2022
UDIN: F007658F000975451

Place: Pune
Date: 14th August 2024

FORM NO. MR 3
Secretarial Audit Report

[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 Board of Directors
Kinetic Watts and Volts Limited
D 1 Block, Plot No. 18/2,
Chinchwad, Pune – 411019

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kinetic Watts and Volts Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kinetic Watts and Volts Limited (“The Company”)** for the financial year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder; (**Not Applicable**)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (**Not Applicable**)
- 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable**)

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable)**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended by The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable)**
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable)**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable)**
- g. Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 upto 15th August, 2021. The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 with effect from 16th August, 2021; **(Not applicable)**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **(Not applicable)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable)**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not Applicable)**

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned under:

MGT-14 for approval of Audited Financial Results for the Financial Year 2023-24, in its meeting held on 30th May, 2023 has not been filed with the Registrar of Companies.

I further report that:

As on 31st March 2024 the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried out through majority decisions. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the Meetings held during the period under review.

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.

We further report that during the audit period, following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (a) The company has increased its Authorised Capital from Rs. 3 Crores to Rs. 28 Crores in its Extra Ordinary General Meeting held on 16th September, 2023.
- (b) The Company had issued and allotted 66,82,000 (Sixty-Six Lakh Eighty-Two Thousand) Equity Shares of the face value of INR 10.00 each (INR Ten Only) on Right Basis to the existing shareholders of the company.
- (c) The Company had issued and allotted 30,60,000 (Thirty Lakh Sixty Thousand) Equity Shares of the face value of INR 10.00 each (INR Ten Only) on Right Basis to the existing shareholders of the company.
- (d) The Company had issued and allotted 61,00,000 (Sixty-One Lakh) Equity Shares of the face value of INR 10.00 each (INR Ten Only) on Right Basis to the existing shareholders of the company.

Considering the above said allotment of Equity shares, paid-up share capital of the Company stands increased to Rs. 18,54,60,000.

**For Dinesh Birla & Associates
Company Secretaries**

**S/d
Dinesh Birla,
Proprietor
FCS: 7658, CP No.: 13029
PRC No.: 1668/2022
UDIN: F007658F000975451**

**Place: Pune
Date: 2nd September 2024**

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

Annexure - A

To,
The Board of Directors
Kinetic Watts and Volts Limited
D 1 Block, Plot No. 18/2,
Chinchwad, Pune – 411019

Our Secretarial Audit report of even date is to be read together with this letter:

I further report that:

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 our audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Dinesh Birla & Associates
Company Secretaries

S/d
Dinesh Birla,
Proprietor
FCS: 7658, CP No.: 13029
PRC No.: 1668/2022
UDIN: F007658F000975451

Place: Pune
Date: 2nd September 2024

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

[As stipulated under the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis forms an integral part of this Report.]

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The long-term growth outlook for the Indian Auto Industry is positive, driven by robust economic growth outlook, focused Government policies with vision for 2047, Government's focus on road and infrastructure development, increasing income levels, current low levels of vehicle penetration, rapid urbanisation and a large, young and aspiring population.

New products:

In line with the strategy spelt out the company business has increased with Ashok Leyland and new version of Mahindra and Mahindra CNG gear boxes. In addition, we are further targeting major ramp up of E Luna Chassis, Fabricated parts and gear boxes.

EV space - the company has taken decisive steps for its foray into EV space. In view of the rapid pace of adoption of Electric vehicles in Indian automotive market, the company has created a subsidiary company exclusively focused on Electric Mobility. The new subsidiary company is evolving its product strategy and exploring possible tie-ups for critical components in this field. Your company has so far invested Rs. 18 Crore in the equity share capital of the company.

The company also continues to have an eye on exports, and is confident of building relationships and new business with its global customers. The Company also plans to add new customers in this field in order to maintain an export heavy distribution within its sales.

During the course of last year, the company has developed and started supplies of chassis for electric moped, other body parts for electric 3 wheelers and also started supplies of its gear boxes for electric 3 wheelers to a reputed manufacturer. Based on the current projections from various customers in the EV space, the revenue from EV products of the company potentially will reach around 10-15% of the annual revenue in the current financial year.

Capital Expenditure:

The company has always invested in technologies and equipment to support revenue growth. In line with this and to cater the demand of customer's company has invested approximately 3 Crore in upgradation of gear tester, CMM Zeiss, internal grinding machine and addition of induction hardening machine, welding machines for chassis, electrical normalizing furnace, image analyzer, micro hardness tester and Spector meter. Further we are also planning to upgrade gear box assembly line for Mahindra and Mahindra and Ashok Leyland. KEL envisages major Capex coming up for its planned refurbishment, new business, subsidiary company & new Technology.

Branding:

The Logo of the company has gone through an updation. The rebranding of Kinetic marks an exciting new chapter in our company's journey. With the introduction of our bolder new logo, we are embracing

a fresh identity that reflects our renewed focus on innovation, strength, and forward-thinking. Also, there is big focus on social media where you can get regular updates of company's initiatives, management views, activities and other important happenings. The clickable links of our all platforms mentioned on front cover page as well as back cover page.

These social media handles are:

Website: <https://kineticindia.com>

Instagram: @thekineticindia

Facebook: @thekineticindia

LinkedIn: The Kinetic India



OLD LOGO



NEW LOGO



2. OPPORTUNITIES AND THREATS

Opportunities:

The Company's major opportunities lies in the relationship of its existing customer base. The current customers include India and global majors and your Company has now demonstrated over a decade of its ability to perform to their expectations. Your Company hence is now poised to demand new & substantial business from these customers.

The company also sees major opportunities in exploring business in the EV space. Given your company's legacy and with its current products in the EV space, your company sees opportunities in partnering with leading players in this space by way of collaborations/ JVs / technical tie ups as well as its subsidiary company Kinetic Watts & Volts which shall focus on this segment for a bright & green future.

Your company also sees a large opportunity in utilizing the strength of its known, established and loved brand name to aggressively tap opportunities.

KEL continues to develop and enhance its export portfolio, and is looking at extending its current contracts with improved profitability and healthier balance sheet, the company sees opportunities to negotiate better terms with its bankers, suppliers & associates, which will further improve profitability.

Threats:

Last 2 years have seen unprecedented commodity price increases. Your company has been successful in passing on the full burden of the commodity price increase to its customers. However, the prices continue to remain elevated. Any further geo-political events may upset the stability once again, causing short term impact on the material costs.

Stubborn inflation in the western world is still not showing any signs of abating and with increased interest rates the developed economies may slow down. This may adversely impact the demand from our export customers. The company however, feels any impact will be short term and may affect the margin in the short term.

3. SEGMENT WISE OR PRODUCT-WISE PERFORMANCE

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available which involves predominantly one operating segment i.e. automotive components.

4. OUTLOOK

The global economic landscape is dynamic due to geopolitical issues, particularly stemming from recent conflicts in the Middle East, affecting commodity markets and dampening global growth prospects and also influencing the pace of economic activities While short term fluctuations are part & parcel of the industry, our future is bright by our focus on our strategy: continue to focus on exports, and keep eye on the ever changing EV market.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system commensurate with its size and nature of business for ensuring efficiency of operations, adherence to management policies and protection of company's assets. The Company's Audit Committee periodically reviews the internal control systems and compliance with Company's policies, procedures and laws.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details have been furnished in the Directors' Report to the Members as well as in the Balance Sheet included in the Annual Report.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resource is considered to be the most prized asset of the company by the management. Hence the work-force is being looked after well and ensured that they remain motivated. The company continues to enjoy warm relationships with its employees. As on 31st March, 2024 KEL has a strength of 594 employees.

The company continues to enjoy warm relationships with its employees. I am glad to inform you that the company head office upgraded with new infrastructure. The company has also taken up 5S and kaizen initiative through an inter-company competition at Nagar plant. The company has focused on its image enhancement by re-designing a new website at www.kineticindia.com.

8. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:

Particulars	Ratio in 2023-24	Ratio in 2022-23	% Change Over 2022-23	Remarks
Debtors Turnover (in times)	4.70	4.52	0.18	NA
Inventory Turnover (in times)	1.66	1.77	-0.11	NA
Interest Coverage Ratio (in times)	3.13	2.50	0.63	NA
Current Ratio (in times)	1.13	0.86	0.27	NA
Debt Equity Ratio (in times)	0.54	1.80	-1.26	NA
Net Profit Margin (%)	3.64	2.31	1.33	NA
Return of Net Worth (%)	7.41	6.10	1.31	NA

On behalf of the Board of Directors
For Kinetic Engineering Limited

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)

Date: 14th August, 2024
Place: Pune

**REPORT ON CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31ST MARCH, 2024**

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders, and strong commitment to values, ethics and business conduct. The Company is committed to good corporate governance, based on an effective Independent Board, separation of supervisory role from the executive management and the constitution of committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plans to performance measurement and consumer satisfaction.

KEL Corporate Governance philosophy is about intellectual honesty, whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. The Company's philosophy includes protection and facilitation of shareholders' rights, provide adequate and timely information and ensuring equitable treatment to all shareholders. The Company also ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

2. BOARD OF DIRECTORS:

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The SEBI (Listing Obligations and Disclosure Requirements) 2015 (hereby referred to as "Listing Regulations, 2015") mandate that for a Company with a Non-Executive Chairman, who is a promoter, at least fifty percent of the Board should comprise of independent Directors.

As on 31st March, 2024, our Board comprised ten members, consisting of a non-executive chairman, one executive director and eight non-executive directors where in six are independent directors. Two out of ten members are women directors. The composition of Board is in accordance with the requirements of Listing Regulations, 2015 & Companies Act, 2013.

All the directors possess the requisite qualifications and experience in corporate management and finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

All the independent directors of the Company furnish declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164(2) of the Companies Act, 2013.

A. Composition and Category of Directors

Director Name	Category
Mr. Arun Hastimal Firodia	Promoter/ Chairman/ Non-Executive Director
Mrs. Jayashree Arun Firodia	Promoter/ Non-Executive Director
Mrs. Sulajja Firodia Motwani	Promoter/ Non-Executive Director

Mr. Ajinkya Arun Firodia	Promoter/ Executive Director
Mr. Ramesh Jankiram Kabra*	Independent Non-Executive Director
Mr. Shirish Ratanlal Kotecha*	Independent Non-Executive Director
Mr. Venkataiah Madipalli	Independent Non-Executive Director
Mr. Jinendra Hirachand Munot	Independent Non-Executive Director
Mr. Dattatray Parvati Navale [#]	Independent Non-Executive Director
Mr. Achal Shirish Kotecha [#]	Independent Non-Executive Director

*Mr. Ramesh Jankiram Kabra and Mr. Shirish Ratanlal Kotecha has completed their second and final term as an Independent Director in Company and consequently ceased to be a Director of the Company w.e.f. closing hours of 31st March, 2024.

[#]Mr. Dattatray Parvati Navale and Mr. Achal Shirish Kotecha has been appointed as an Independent Director w.e.f. 11th August, 2023.

Mr. Rohit Prakash Bafana has completed his term as an Independent Director in Company and consequently ceased to be a Director of the Company. However, Company appointed him as an Independent Director w.e.f. 30th May, 2024.

B. Attendance of Directors at Board Meetings and at the last Annual General Meeting:

The details of Attendance of Directors at the Board Meetings and at the last Annual General Meeting are as hereunder:

Name of the Director	Board meeting held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on 29 th September, 2023
Mr. Arun Hastimal Firodia	5	5	Yes
Mrs. Jayashree Arun Firodia	5	5	Yes
Mrs. Sulajja Firodia Motwani	5	3	Yes
Mr. Ajinkya Arun Firodia	5	5	Yes
Mr. Shirish Ratanlal Kotecha	5	4	Yes
Mr. Ramesh Jankiram Kabra	5	0	Yes
Mr. Jinendra Hirachand Munot	5	4	Yes
Mr. Venkataiah Madipalli	5	5	Yes
Mr. Dattatray Parvati Navale	2	1	NA
Mr. Achal Shirish Kotecha	2	0	NA

C. Number of other Board of Directors or Committees in which a Directors is a Member or Chairperson

Name of the Director	No. of other Directorships held	No. of Independent Directorships held in Listed Companies [#]	No. of other Board Committees ^{##}	
			Chairman	Member
Mr. Arun Hastimal Firodia	7	Nil	-	-
Mrs. Jayashree Arun Firodia	5	Nil	-	-
Mrs. Sulajja Firodia Motwani	5	Nil	-	-
Mr. Ajinkya Arun Firodia	7	Nil	-	-

Mr. Shirish Ratanlal Kotecha	3	Nil	-	-
Mr. Ramesh Jankiram Kabra	0	Nil	-	-
Mr. Achal Shirish Kotecha	1	Nil	-	-
Mr. Rohit Prakash Bafana	4	Nil	-	-
Mr. Jinendra Hirachand Munot	2	Nil	-	-
Mr. Venkataiah Madipalli	0	Nil	-	-
Mr. Dattatray Parvati Navale	0	Nil	-	-

Excludes directorships in Subsidiary Companies, Associates Companies, Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships and Directorship in Kinetic Engineering Limited.

Committees considered are Audit Committee and Stakeholders Relationship Committee in Public Companies excluding Kinetic Engineering Limited.

D. Number of Meetings of the Board of Directors held and dates on which held:

During the Financial Year 2023-24, agenda of the Board / Committee meeting(s) with proper explanatory notes to agenda was prepared and circulated well in advance to all the Board Committee members. The Board also reviewed periodical compliances of all applicable acts, law(s) / rule(s) and regulation(s) during the Financial Year 2023- 24. During the year under review, Five Board Meetings were held in the year 2023-24 dated 30/05/2023, 11/07/2023, 11/08/2023, 09/11/2023 and 13/02/2024. The Last Annual General Meeting (AGM) of the Company was held on 29th September, 2023 through video conferencing.

E. Disclosure of relationships between directors inter-se

- Mr. Ajinkya Arun Firodia, (Managing Director) on the Board is son of Mr. Arun Hastimal Firodia (Chairman) and Mrs. Jayashree Arun Firodia (Non-Executive Director) and brother of Mrs. Sulajja Firodia Motwani (Non-Executive Director)
- Mrs. Sulajja Firodia Motwani (Non-Executive Director) on the Board is daughter of Mr. Arun Hastimal Firodia (Chairman) and Mrs. Jayashree Arun Firodia (Non-Executive Director) and sister of Mr. Ajinkya Arun Firodia, (Managing Director)
- Mrs. Jayashree Arun Firodia (Non-Executive Director) on the Board is spouse of Mr. Arun Hastimal Firodia (Chairman) and mother of Mr. Ajinkya Arun Firodia, (Managing Director) and Mrs. Sulajja Firodia Motwani (Non-Executive Director)
- Mr. Arun Hastimal Firodia (Chairman) on the Board is spouse of Mrs. Jayashree Arun Firodia (Non-Executive Director) and father of Mr. Ajinkya Arun Firodia, (Managing Director) and Mrs. Sulajja Firodia Motwani (Non-Executive Director)
- Mr. Achal Shirish Kotecha (Non-Executive Independent Director) on the Board is son of Mr. Shirish Ratanlal Kotecha (Non-Executive Independent Director)
- Mr. Shirish Ratanlal Kotecha (Non-Executive Independent Director) on the Board is father of Mr. Achal Shirish Kotecha (Non-Executive Independent Director)

F. Number of Shares and Convertible Instruments held by Non- Executive Directors

Name of Non- Executive Directors	No. of Shares held	No. of Convertible Instruments held
Mr. Arun Hastimal Firodia	26,42,624	Nil
Mrs. Jayashree Arun Firodia	39,25,222	Nil
Mrs. Sulajja Firodia Motwani	616	Nil
Mr. Shirish Ratanlal Kotecha	10	Nil
Mr. Ramesh Jankiram Kabra	525	Nil
Mr. Achal Shirish Kotecha	Nil	Nil
Mr. Jinendra Hirachand Munot	28,712	Nil
Mr. Venkataiah Madipalli	25	Nil
Mr. Dattatray Parvati Navale	Nil	Nil

G. Web link where details of Familiarization Programmes imparted to Independent Directors is disclosed

The Board of Directors has approved familiarization programme for Independent Directors. The details regarding familiarization programmes imparted to Independent Directors of the Company are also given on the website of the Company at [www.kineticindia.com/policies/under Investor Relations Section](http://www.kineticindia.com/policies/under%20Investor%20Relations%20Section).

H. Skills / Expertise / Competence of the Board of Directors

The Board has identified the following core skills / expertise / competencies as required in the context of the Company's business(es) and sector(s) for it to function effectively and are currently available with the Board:

Skill / Expertise / Competency		
Industry Knowledge / Experience	Technical skills / Experience	Behavioural Competencies
Knowledge of Automobile Industry Sector and Knowledge of Government Policy.	Projects, Accounting, Finance, Law, Marketing Experience, IT and Digital outreach, Public Relations, Risk Management Systems, Human Resource Management and Strategy Development and Implementation.	Sound Judgment, Integrity and High Ethical Standard, Interpersonal Relations, Listening & Verbal Communication Skills and Understanding of effective Decision-making processes.

On the basis of the above-mentioned skill matrix, the skills which are currently available with the Board are as under: -

Name of the Director	Industry Knowledge / Experience	Technical skills / Experience	Behavioural Competencies
Mr. Arun Hastimal Firodia	✓	✓	✓
Mrs. Jayashree Arun Firodia	✓	✓	✓

Mrs. Sulajja Firodia Motwani	✓	✓	✓
Mr. Ajinkya Arun Firodia	✓	✓	✓
Mr. Shirish Ratanlal Kotecha	✓	✓	✓
Mr. Ramesh Jankiram Kabra	-	✓	-
Mr. Achal Shirish Kotecha	✓	✓	✓
Mr. Jinendra Hirachand Munot	✓	✓	✓
Mr. Venkataiah Madipalli	✓	✓	✓
Mr. Dattatray Parvati Navale	✓	✓	✓

I. Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these Regulations and are independent of the management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2024-25, the Board hereby certify that all the Independent Directors appointed by the Company fulfils the conditions specified in these regulations and are independent of the management.

J. Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided – None

3. AUDIT COMMITTEE:

A. Brief description of terms of reference:

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the Independent Auditors and notes the processes and safeguards employed by each of them. The audit committee is responsible to select, evaluate and where appropriate, replace the independent auditors in accordance with the law. All possible measures are taken by the committee to ensure the objectivity and independence of Independent auditors.

B. Composition of Committee during the year under review:

The Committee is comprised solely of Independent Directors and is in compliance with the requirements of Section 149 of the Companies Act, 2013 & Regulation 18 of the Listing Regulations, 2015 during the financial year 2023-24:

Name of the Director	Category	Status
Mr. Shirish Ratanlal Kotecha	Independent Director	Chairman
Mr. Ramesh Jankiram Kabra	Independent Director	Member
Mr. Jinendra Hirachand Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

C. Meetings and attendance during the year under review:

During the year under review, five (5) Meetings of the Audit Committee were held on 30/05/2023, 11/07/2023, 11/08/2023, 09/11/2023 and 13/02/2024. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Ratanlal Kotecha	05	04
Mr. Ramesh Jankiram Kabra	05	00
Mr. Jinendra Hirachand Munot	05	03
Mr. Venkataiah Madipalli	05	05

The Head of Finance Department, CEO, COO, Internal Auditors, Representative of Statutory Auditors, and other Senior Executives members of the Company were also invited to attend the Audit Committee Meetings. The Company Secretary acts as a secretary to the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

A. Brief description of Terms of reference:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;
- Recommending to the Board on candidates for any Board vacancies that are to be filled.

B. Composition of Committee during the year under review:

The composition of the Nomination and Remuneration Committee for the year ended 31st March, 2024 is as follows: -

Name of the Director	Category	Status
Mr. Shirish Ratanlal Kotecha	Independent Director	Chairman
Mr. Ramesh Jankiram Kabra	Independent Director	Member
Mr. Jinendra Hirachand Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

C. Meetings and attendance during the year under review:

During year under review, one (1) Meetings of the Nomination and Remuneration Committee were held on 11th August, 2023. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Ratanlal Kotecha	1	1
Mr. Ramesh Jankiram Kabra	1	0
Mr. Jinendra Hirachand Munot	1	0
Mr. Venkataiah Madipalli	1	1

The Company Secretary acts as a secretary to the Nomination and Remuneration Committee Meeting.

D. Performance evaluation criteria for Independent Directors

The indicative criteria for evaluation of performance of the Independent Director that are provided in their terms of appointment are as under:

- Attendance and contribution at Board and Committee meetings.
- Appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes, and corporate governance.
- Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decision-making ability.
- Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
- His/her global presence, rational, physical, and mental fitness, broader thinking, vision on corporate social responsibility etc.
- His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring the right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

E. Meeting of Independent Directors

In terms of the provisions of the Schedule IV of the Act and Regulation 25 (3) of the Listing Regulations, the Independent Directors of the Company shall meet at least once in a year, without the presence of Non-Independent Directors. This meeting is primarily intended to discuss sensitive matters without bias or influence from management or non-independent directors, review the performance of the Chairman, Managing Director, and other executive directors, assess the overall performance of the Board and its committees. The Independent Directors met on 13th February, 2024. The Independent

Directors have expressed satisfaction on overall evaluation process, coverage of various key aspects of company's affairs which board members may influence or impact, through direct participation or supervision.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints from stakeholders and reviews the matters connected therewith. The Company Secretary acts as a secretary to the Stakeholders Relationship Committee.

A. Composition of the Committee during the year under review:

The composition of the Stakeholders Relationship Committee for the year ended 31st March, 2024 is as follows: -

Name of the Director	Category	Status
Mr. Shirish Ratanlal Kotecha	Independent Director	Chairman
Mr. Ramesh Jankiram Kabra	Independent Director	Member
Mr. Jinendra Hirachand Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

B. Meetings and attendance during the year under review:

During the period under review, one meetings of the Stakeholders Relationship Committee were held on 13th February, 2024. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Ratanlal Kotecha	1	1
Mr. Ramesh Jankiram Kabra	1	0
Mr. Jinendra Hirachand Munot	1	1
Mr. Venkataiah Madipalli	1	1

C. Name and designation of compliance officer

Mr. Chaitanya Mundra, Company Secretary & Compliance Officer acts as Secretary to the Committee.

D. Number of shareholder's complaints received, not solved to the satisfaction of shareholders and pending

Number of shareholder's complaints received during the financial year	0
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints as on 31 st March, 2024	0

6. RISK MANAGEMENT COMMITTEE - Not Applicable.

7. SENIOR MANAGEMENT

Particulars of Senior Management including the changes therein since the close of the previous financial year.

Sr. No.	Name	Designation	Changes, if any
1.	Mr. Ajinkya Arun Firodia	Chief Financial Officer	-
2.	Mr. Chaitanya Mundra	Company Secretary	-
3.	Mr. Chaitanya Koranne	Chief Executive Officer	-

8. REMUNERATION OF DIRECTORS

A. All Pecuniary Relationship or Transactions of the Non-Executive Directors vis-à-vis the listed entity.

Details of Sitting Fees paid to Non-Executive Directors for attending Board/ Committee Meetings and their shareholding in the Company during the period ended on 31st March, 2024, are as follows:

Sr. No.	Name of the Non- Executive Director	Sitting Fees (In INR)
1	Mrs. Jayashree Arun Firodia	35,000
2	Mr. Ramesh Jankiram Kabra	0
3	Mr. Shirish Ratanlal Kotecha	40,500
4	Mr. Rohit Prakash Bafana	50,000
5	Mr. Jinendra Hirachand Munot	35,500
6	Mr. Venkataiah Madipalli	50,000
7.	Mr. Dattatray Parvati Navale	7,000
8.	Mr. Achal Shirish Kotecha	0

B. Criteria of making payments to Non-Executive Directors

The terms of appointment/re-appointment, remuneration/fees, removal of Non-Executive Directors are governed by the resolutions passed by the Board / the Nomination and Remuneration Committee, which cover the terms and conditions of such appointment/ re appointment as per the Nomination and Remuneration Policy and Article of Association of the Company, as amended from time to time. No separate service contract is entered into by the Company with any Non-Executive Directors. The statutory provisions will however apply.

Further, the detailed Nomination and Remuneration Policy is annexed to Director's Report as **Annexure IV** and forms part of this Integrated Annual Report and is also available on the website of the Company at www.kineticindia.com/policies under investor relation section.

C. Disclosure with respect to Remuneration

- i. Details of Remuneration paid to Executive Directors for the year ended on 31st March, 2024:

The aggregate value of salary, perquisites and commission paid for the year ended 31st March, 2024 to the Managing Director (MD) is as follows:

Sr. No.	Particulars of Remuneration	Ajinkya Arun Firodia	Total (in INR)
1	Gross Salary		
	(a.) Salary	98,71,059	98,71,059
	(b.) Perquisites	-	-
2	Commission as % of profit	-	-
3	Others	-	-
Total		98,71,059	98,71,059

All the above remuneration was fixed/varies with respect to time-scale.

- ii. Details of fixed component and performance linked incentives, along with the performance criteria: The details of fixed component are as provided in the table above and there are no other incentives paid to any Director of the Company.
- iii. Service Contract, Severance Fee and Notice Period of the Executive Directors: The appointment/re-appointment of the Executive Directors is governed by the resolutions passed by the Board / The Nomination and Remuneration Committee/ Nomination and Remuneration Policy and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director. The statutory provisions will however apply. The terms of appointment/re-appointment, remuneration and removal of Executive Directors are as per the Nomination and Remuneration Policy.
- iv. Stock Options details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Nil

9. GENERAL BODY MEETINGS:

A. Location and time where the last three Annual General Meeting was held and special resolution passed thereat:

Year ended	Date of AGM	Time	Venue	Whether Special Resolution Passed or not	Details of Special Resolution passed
31 st March 2023	29 th September, 2023	11.30 a.m.	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility. D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune - 411019	Yes	Re-appointment of Mr. Ajinkya Arun Firodiya, as the Managing Director of the Company. Appointment of Mr. Dattatray Parvati Navale, (DIN: 10207503) as Non - Executive Independent Director

					Appointment of Mr. Achal Shirish Kotecha, (DIN: 03543151) as Non - Executive Independent Director
31 st March 2022	29 th September, 2022	11.30 a.m.	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility. D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune - 411019	Yes	Issue of Equity Shares on Preferential basis to Micro Age Instruments Private Ltd.
31 st March 2021	28 th September, 2021	11.30 a.m.	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility. D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune - 411019	No	Nil

B. Details of Special Resolution passed last year through Postal Ballot, details of voting pattern and procedure thereof and person who conducted Postal Ballot exercise:

During FY 2023-24, the Company sought the approval of the shareholders by way of postal ballot, through notice dated 11th July, 2023 on the following Special Resolution:

Sr. No.	Description of the Special Resolution
1.	Reclassification of Authorised Share Capital and consequent alteration of Memorandum of Association.
2.	Issue of Equity Shares on preferential basis to promoter of the company.
3.	Offer, issue and allot on preferential basis optionally Convertible Cumulative Preference Shares of the company.
4.	To sale Non-Core Assets of the company.
5.	To increase the limits u/s 186(2) of Companies Act, 2013 for extending loans, providing guarantees or giving securities for loans taken by any person or body corporate.

The Company had appointed Dinesh Birla, Practicing Company Secretary (FCS No. 7658, CP No. 13029) as Scrutinizer for conducting the postal ballot including remote e-voting process in a fair and transparent manner.

The details of e-voting on the aforementioned resolution is provided hereunder:

Particulars of Resolution	Type of Resolution	Total No. of Vote Cast	Votes in favour of the resolution		Votes against the resolution		Invalid Votes, if Any	
		Nos.	Nos.	%	Nos.	%	Nos.	%
Reclassification of Authorised Share Capital and consequent alteration of Memorandum of Association.	Special Resolution	11055169	11054489	99.9938	680	0.0062	0	0
Issue of Equity Shares on preferential basis to promoter of the company.	Special Resolution	11055169	11054721	99.9959	448	0.0041	0	0
Offer, issue and allot on preferential basis optionally Convertible Cumulative Preference Shares of the company.	Special Resolution	11055169	11054733	99.9960	436	0.0040	0	0
To sale Non-Core Assets of the company.	Special Resolution	197474	197435	99.9802	39	0.0198	0	0
To increase the limits u/s 186(2) of Companies Act, 2013 for extending loans, providing guarantees or giving securities for loans taken by any person or	Special Resolution	11055159	11055081	99.9992	78	0.0008	0	0

body corporate.								
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The Resolution mentioned in the Notice as per the details given above stand passed under remote e-voting with the requisite majority.

C. Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Sections 108 and Section 110 of the Companies Act, 2013, (the Act), read together with the Companies (Management and Administration) Rules, 2014, General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No.20/2020 dated May 05, 2020, No. 22/2020 dated June 15, 2020, No.33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 02/2021 dated January 13, 2021, No. 10/2021 dated June 23, 2021, No.20/2021 dated December 8, 2021, No.3/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022 and No. 09/ 2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA”) (“hereinafter collectively referred to as MCA Circulars”), and Regulation 44 of the SEBI (LODR) Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable provisions, including any statutory modification or re-enactment thereof for the time being in force.

D. Details of special resolution proposed to be conducted through Postal Ballot this year:

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

10. MEANS OF COMMUNICATION

A. Quarterly Results:

The Company published extract of the detailed format of Quarterly Un-Audited Financial Results and Audited Standalone and Consolidated Financial Results for the whole Financial Year as per the format prescribed under SEBI (LODR) Regulations.

B. Newspapers wherein results normally published:

The Company's quarterly/half-yearly/annual financial results are sent to Stock Exchange and published in ‘Financial Express’ and ‘Loksatta’ newspapers.

C. Website, where displayed:

The financial results are displayed on the Company’s website www.kineticindia.com. Simultaneously, financial results of the Company are also available at www.bseindia.com. The website of the Company www.kineticindia.com. is regularly being updated with the basic information about the Company e.g. details of its business, financial information, shareholding pattern, annual report, quarterly financial results, corporate announcements, press releases, compliance with corporate governance, various policies, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

The Company's website www.kineticindia.com contains a separate dedicated section "Investor Relations" where information related to shareholders is available.

D. Official News Releases

The Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

E. Presentations made to Institutional Investors or to the analyst:

No presentation was made to Institutional Investors or Analysts.

11. GENERAL SHAREHOLDER INFORMATION

A. 53rd Annual General Meeting – Day, Date, Time and Venue:

Day	Date	Time	Venue and Mode
30 th September, 2024	30/09/2024	11.30 A.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Company's Registered Office i.e. D1 Block, Plot No.18/2, Chinchwad, Pune, Maharashtra, India, 411019

B. Financial year:

The Financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

Adoption of quarterly results for the quarter ending (tentative and subject to change)

Quarter Ending	Date
30 th June, 2024	14 th August, 2024 (Declared)
30 th September, 2024	14 th November, 2024
31 st December, 2024	14 th February, 2024
31 st March, 2025	30 th May, 2025

C. Dividend Payment

The Directors have not recommended any Dividend for the financial year ended on 31st March, 2024.

D. Listing of Shares on Stock Exchanges

The shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001.

E. Stock Code and ISIN

BSE (Equity Shares) : 500240

ISIN for equity shares : INE266B01017

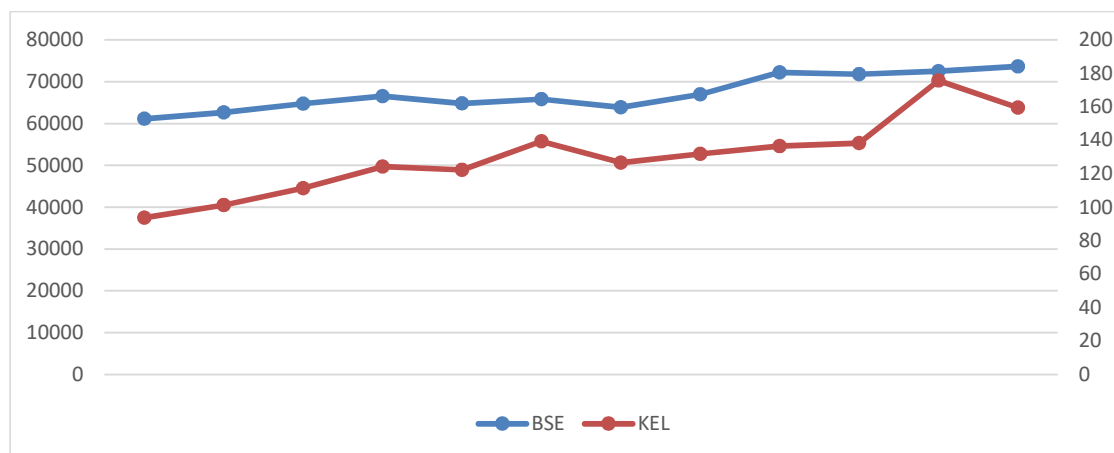
F. Market Price Data- High, Low during each month in last financial year

Month Month & Year	KEL Share Price in INR			BSE Sensex		
	High	Low	Close	High	Low	Close
April, 2023	100.99	89.21	93.68	61209.46	58793.08	61112.44
May, 2023	104.12	86.35	101.19	63036.12	61002.17	62622.24
June, 2023	125	98.15	111.35	64768.58	62359.14	64718.56
July, 2023	136.45	108.3	124.25	67619.17	64836.16	66527.67
August, 2023	129	115.1	122.35	66658.12	64723.63	64831.41
September, 2023	154.5	120.05	139.4	67927.23	64818.37	65828.41
October, 2023	141.5	121.65	126.55	66592.16	63092.98	63874.93
November, 2023	145	125.65	131.85	67069.89	63550.46	66988.44
December, 2023	149.9	127.25	136.55	72484.34	67149.07	72240.26
January, 2024	150	131.05	138.25	73427.59	70001.6	71752.11
February, 2024	211.7	137.1	175.65	73413.93	70809.84	72500.3
March, 2024	178.75	138.8	159.5	74245.17	71674.42	73651.35

Stock Market Price Data (Source: Official Website of BSE www.bseindia.com):

G. Performance in comparison to broad-based indices such as BSE Sensex:

Kinetic Engineering Ltd (KEL) Share price on BSE vis-à-vis BSE Sensex (2023-24)



H. In case the securities are suspended from trading, the directors report shall explain the reason thereof – Not Applicable

I. Registrars and Transfer Agents

The Company's equity shares are compulsorily traded in Demat mode and hence transferable through the depository system. Link Intime India Pvt. Limited, Akshay Complex, Block No. 202, 2nd Floor, Dhole Patil Road, Pune - 411001 has been appointed as Company's Registrars and Transfer Agent as per

SEBI's Circular for appointment of Common Agency to carry physical and electronic share registry work.

J. Share Transfer System

All the transfers received are processed by the Registrars and Transfer Agent and approved by the Authorised Directors/ Company Secretary of the Company. The demat request which were received in physical form, were processed and the share certificates returned within a period of 30 days from the date of receipt, (as per the relaxation in time line granted for processing of Demat request vide SEBI letter no. NSDL/11/SEBI/PP/2150/2018 dated 24th January, 2019) subject to the documents being valid and complete in all respects.

K. Distribution of Shareholding as on 31st March 2024

Kinetic Engineering Limited							
Distribution Of Shareholding Based On Shares Held							
Report Type : All(NSDL+CDSL+PHYSICAL)							
SERIAL #	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	20823	93.4102	1367939	6.1726
2	501	to	1000	675	3.0280	548211	2.4737
3	1001	to	2000	365	1.6374	558731	2.5212
4	2001	to	3000	119	0.5338	299892	1.3532
5	3001	to	4000	72	0.3230	261626	1.1805
6	4001	to	5000	62	0.2781	293550	1.3246
7	5001	to	10000	88	0.3948	646100	2.9154
8	10001	to	*****	88	0.3948	18185451	82.0588
Total				22292	100.0000	22161500	100.0000

Shareholding Pattern as on 31st March, 2024

Sr. No.	Category	No. of Shares	Percentage (%)
A)	Promoter and Promoter Group		
	Indian	1,31,52,685	59.35
	Foreign	0	0
	TOTAL (A)	1,31,52,685	59.35
B) (I)	Public Shareholding		
	Institutions:		
	Mutual Funds/UTI	694	0.00
	Financial Institutions/Banks	2,575	0.01
	Insurance Companies	0	0.00
	Foreign Venture Capital Investors	17,50,452	7.90

	Foreign Institutional Investors	256	0.00
	Foreign Portfolio Investors	0	0
	Total B (I)	17,53,977	7.91
(II)	Non- Institutions:		
	Bodies Corporate	7,52,827	3.40
	Individuals	60,45,284	27.28
	Clearing Members	106	0
	NRI/ NRN	99,212	0.45
	Foreign Companies	0	0
	OCB	0	0
	Trusts	43	0
	HUF	3,57,366	1.61
	NBFC	0	0
	Total B (II)	72,54,838	32.74
	TOTAL (B) [I+II]	17,53,977	7.91
	GRAND TOTAL(A+B)	2,21,61,500	100.00

L. Dematerialization of shares and liquidity

The Company's Shares are compulsory traded on BSE in dematerialized form. As on 31st March, 2024, the details of the Shares of the Company held in physical and demat form are given below:

Sr. No.	Particulars	No. of Shares	% to the Capital
1.	Shares held in Physical Form	4,10,454	1.81
2.	Shares held in Demat Form - NSDL	1,83,13,164	80.87
3.	Shares held in Demat Form - CDSL	34,37,882	15.18
	Total	2,21,61,500	100.00

M. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2024.

N. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

O. Plant Locations

The Company's plant is located at Ahmednagar - Daund Road, Ahmednagar (Maharashtra).

P. Address for correspondence

Shareholder's correspondence may be addressed to the Registrars & Transfer Agent, Link Intime India Pvt. Limited, Block No. 202, Akshay Complex, 2nd floor, Dhole Patil Road, Pune - 411001. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. Investor grievances, queries, etc. can be additionally marked to kelinvestors@kineticindia.com

Q. Credit Ratings: CRISIL Ratings has assigned its 'CRISIL BB+/Stable' rating to the bank facilities of Kinetic Engineering Limited (KEL).

Total Bank Loan Facilities Rated	Rs. 25 Crore
Long Term Rating	CRISIL BB+/Stable (Assigned)

12. OTHER DISCLOSURES:

A. disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

During the financial year ended 31st March, 2024, there were no materially significant related party transactions that had potential conflict with the interest of the Company at large.

B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

No penalty or stricture has been imposed by the Stock Exchanges or SEBI or any other authority since the date of listing.

C. Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has established a Vigil Mechanism / Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of SEBI (LODR) Regulations for its Directors and Employees to report the genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy has been uploaded on the website of the Company and is available at [https://kineticindia.com/policies/under Investor Relations Section](https://kineticindia.com/policies/under%20Investor%20Relations%20Section).

During the year under review, no director or employee has been denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations.

E. Weblink for Policy on determination of Material Subsidiary and Policy on Related Party Transactions.

Both the policies can be accessed at <https://kineticindia.com/policies> under investor relations section.

F. Disclosure of Commodity price risks and commodity hedging activities.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The funds are utilized as per the object stated in postal ballot dated 11th July, 2023.

H. Certificate from Practicing Company Secretary on Non-Disqualification of Directors.

The Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI (LODR) Regulations. Copy of the Certificate is attached as **Annexure III**.

I. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

The Board accepted the recommendations of its Committees, wherever made, during the year which were mandatorily required.

J. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part.

M/s. Pawan Jain and Associates, Chartered Accountants (Firm Registration No.: 0107867W) has been appointed as the Statutory Auditors of the Company. The particulars of total fees paid by the Company on consolidate basis, to the said Statutory Auditor is given below:

Particulars	Amount in INR Lakhs
Audit Fees	3.40
Limited Review Fee	0.80
Tax Audit	0.60
Corporate Governance	0.15
Certification Fee	0.25
Total	5.20

Certification Fees for FY 2023-24 irrespective of number of certificates issued and signed by the Statutory Auditors of the Company.

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to provide a safe and healthy work environment free of any hassles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company & its group companies like regular, temporary, ad hoc, contractual staff vendors, customers, trainees, probationers, apprentices, and also all visitors to the Company.

Number of complaints filed during the financial year	Nil
Number of complaints disposed-off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

L. Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Not Applicable, as the Company has not given any loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount, during the year under review.

M. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of material subsidiary Company	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditors	Date of Appointment
Kinetic Watts And Volts Limited	27/09/2022	Pune	M/s. Pawan Jain and Associates, Chartered Accountants (Firm Registration No.: 0107867W)	30/12/2023

N. The Company has complied with the requirements of Corporate Governance Report as mentioned in Sub Paras (2) to (10) of Schedule V of the SEBI (LODR) Regulations.

13. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

The Company has adopted the following discretionary requirements as provided in the SEBI (LODR) Regulations:

The Board: The Company have Non-Executive Chairman and no expenses are being incurred & reimbursed in this regard.

Shareholder's Rights: The quarterly and half-yearly results are not being sent to the personal address of shareholders as the quarterly extract of financial results of the Company are published in the Newspaper having wide circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company www.kineticindia.com. Also, financial results and shareholding pattern of the Company are available at www.bseindia.com.

Modified opinion(s) in Audit Report: The Financial Statements of the Company are Un-modified.

Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Presently, Mr. Arun Hastimal Firodia is the Chairman of the Company and Mr. Ajinkya Arun Firodia is Managing Director of the Company.

Reporting of Internal Auditor: The Internal Auditors of the Company report directly to the Audit Committee and are invited to be present as invitees at the Audit Committee meetings held every quarter.

14. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (LODR) Regulations and Clause (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations.

15. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.

The said declaration signed by the Managing Director/CEO/CFO of the Company forms an integral part of the Integrated Annual Report.

16. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Integrated Annual Report.

17. DISCLOSURE WITH RESPECT TO SUSPENSE ESCROW DEMAT ACCOUNT

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

18. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreements impacting management or control of the Company or imposing any restriction or create any liability upon the Company which require disclosure under Clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

**On behalf of the Board of Directors
For Kinetic Engineering Limited**

S/d
Arun Hastimal Firodia
Chairman
(DIN: 00057324)
Date: 14th August, 2024
Place: Pune

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of

Kinetic Engineering Limited

D1 Block, Plot No.18/2, MIDC Chinchwad, Pune – 411019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kinetic Engineering Limited having CIN L35912MH1970PLC014819 and having registered office at D1 Block, Plot No.18/2, MIDC Chinchwad Pune - 411019 and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Arun Hastimal Firodia	00057324	01 st July, 1987
2.	Mrs. Jayashree Arun Firodia	00328499	27 th October, 2017
3.	Mr. Ajinkya Arun Firodia	00332204	06 th April, 2009
4.	Mrs. Sulajja Firodia Motani	00052851	04 th May, 1996
5.	Mr. Venkataiah Madipalli	00041420	10 th February, 2021
6.	Mr. Jinendra Hirachand Munot	00049838	20 th October, 2020
7.	Mr. Dattatray Parvati Navale	10207503	11 th August, 2023
8.	Mr. Achal Shirish Kotecha	03543151	11 th August, 2023
9.	Mr. Shrirsh Ratanlal Kotecha	00170659	27 th November, 1987
10.	Mr. Ramesh Jankiram Kabra	00306688	28 th June, 2014

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

**For Dinesh Birla & Associates
Company Secretaries**

Sd/-

**Dinesh Birla,
Proprietor**

FCS: 7658, CP No: 13029

Peer Review Cert. No: 1668/2022

UDIN: F007658F000975460

Place: Pune

Date: 14th August 2024

Declaration by the Chief Finance Officer (CFO)

[Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

I, Ajinkya Arun Firodia, CFO of the Kinetic Engineering Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2024.

For Kinetic Engineering Limited

S/d
Ajinkya Arun Firodia
Managing Director & CFO
DIN: 00332204

Date: 14th August, 2024
Place: Pune

Chief Financial Officer (CFO) Certification

[Pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I Ajinkya Arun Firodia, Chief Financial Officer of Kinetic Engineering Limited, to the best of my knowledge and belief hereby certify that:

- A. I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2024 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. I have indicated to the auditors and the Audit committee
1. There are no significant changes in internal controls over financial reporting during the year;
 2. There are no significant changes in accounting policies during the year; and
 3. There are no instances of significant fraud of which we have become aware.

For Kinetic Engineering Limited

S/d

**Ajinkya Arun Firodia
Managing Director & CFO
DIN: 00332204**

Date: 14th August, 2024

Place: Pune

COMPLIANCE CERTIFICATE BY STATUTORY AUDITOR'S

(Pursuant to clause E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

To
The Members of
Kinetic Engineering Limited

This certificate is issued in accordance with the terms of our engagement with Kinetic Engineering Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

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

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and

clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

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

For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W

S/d
CA Pawan Jain
Partner
Membership No: 032900
UDIN: 24032900BKFCBF1823

Place: Pune
Date: 30th May 2024

INDEPENDENT AUDITORS REPORT

**To the Members of
KINETIC ENGINEERING LIMITED**

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Kinetic Engineering Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone 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 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2024, and its loss (financial performance including other comprehensive income), its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

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

Management's Responsibility 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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;
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) 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 March 31, 2024 on its financial position in its standalone financial statements (Refer Note 38);
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note No. 47);

(b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in

other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note No. 47);

- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv) (a) and (iv) (b) above contain any material misstatement.

For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W

CA Pawan Jain
Partner
Membership No: 032900

Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBF1823

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)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company is maintaining proper records showing full particulars of intangible assets;

(b) As informed to us, the fixed assets are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. All the major Property, Plant and Equipment have been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account;

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties been taken on lease and disclosed as Property, Plant and Equipment in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement;

(d) The company has/ has not revalued its Property, Plant & Equipment or Intangible assets or both during the year;

(e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence, reporting under clause 3(i) (e) of the Order is not applicable;

- ii. (a) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. As informed to us, discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of

current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company;

- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clause 3(iii) (a), (b), (c,) (d), (e) and (f) of the Order are not applicable to the Company;
- iv. According to the information and explanations provided to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable;
- v. According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the company. According to the information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal;
- vi. As informed to us, the cost records, pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 are not applicable to the company;
- vii. (a) According to the records of the company, it is generally regular in depositing undisputed statutory dues of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues with the appropriate authorities except depositing dues of Provident Fund where there are delays;

(b) According to the information and explanation provided to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Service tax or duty of Customs or duty of Excise or Value added tax or entry tax, which have not been deposited by the Company on account of disputes, except for the following:

Nature of Dues	Amount in (INR) Lacs	Forum where dispute is pending
Income Tax 2000-01	1.29	ITAT, Pune
Income Tax 2011-12	0.24	CIT Appeals Pune
Entry Tax 2008-09	6.19	Dy. Commissioner Commercial Tax, Indore
MP VAT Tax 2007-08, 2008-09, 2009-10	9.17	Appellate Dy. Commissioner commercial Tax, Indore
Excise Duty	56.39	CESTAT, Mumbai and Nagpur

- viii. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

- ix. Based on our Audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government;
- x. (a) According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys by way of term loans from the bank during the year and were applied for the purposes for which those are raised;
(b) During the year the Company has made preferential allotment of shares in compliance with sections 42 and 46 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements as required;
- xi. Based upon the Audit procedures performed by us and according to the information and explanations provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year;
- xii. The Company is not a Nidhi Company and accordingly, Clause 3(xii) of the Order is not applicable to the Company;
- xiii. According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards;
- xiv. The company has an internal audit system commensurate with the size and nature of its business. The reports of the Internal Auditor for the period under audit has been considered;
- xv. According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him;
- xvi. (a) According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi) (b) of the Order is not applicable;

(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi) (c) of the Order is not applicable;

(d) According to the information and explanations given to us and procedures performed by us, reporting under clause 3(xvi) (d) of the Order is not applicable;
- xvii. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year;

- xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the Order is not applicable;
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management 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 the 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. As informed to us, the Company is not liable for any corporate social responsibility under section 135 of the Companies Act 2013 and therefore, Clause 3(xx) of the Order is not applicable to the Company;
- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W

CA Pawan Jain
Partner
Membership No: 032900

Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBF1823

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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Kinetic Engineering Limited** (the “Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W

CA Pawan Jain
Partner
Membership No: 032900

Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBF1823

KINETIC ENGINEERING LIMITED			
Balance Sheet as at March 31, 2024			
PARTICULARS	Note	March 31 ,2024	Rs. In Lakhs March 31 ,2023
ASSETS			
1) Non-current assets			
a) Property, Plant & Equipment	3	6,330.05	6,445.19
b) Capital work-in-progress		-0.00	122.78
c) Other Intangible Assets	3	20.34	25.38
d) Financial Assets			
(i) Investments	4	1,887.60	718.67
(ii) Other	5	326.53	350.40
e) Deferred Tax Assets	6	-	-
f) Other Non-Current Assets	7	73.01	100.90
		8,637.54	7,763.32
2) Current assets			
a) Inventories	8	5,102.40	4,427.96
b) Financial Assets			
(i) Investments	4	-	-
(ii) Trade receivables	9	3,154.42	2,933.30
(iii) Cash and cash equivalents	10	29.79	77.75
(iv) Bank Balances other than (iii) above	11	45.17	33.74
(v) Loans	12	3.65	3.65
(vi) Others	13	2.75	3.82
c) Current Tax Assets(Net)	14	61.99	40.92
d) Other current assets	15	62.95	376.59
		8,463.13	7,897.72
TOTAL		17,100.66	15,661.04
EQUITY AND LIABILITIES			
Equity			
a) Share Capital	16	2,216.15	1,987.65
b) Other Equity	17	3,783.48	884.59
		5,999.64	2,872.24
Liabilities			
1) Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	18	2,909.46	2,287.02
b) Provisions	19	198.01	256.88
c) Other Non-Current Liabilities	20	526.68	1,107.40
		3,634.15	3,651.29
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings	21	420.94	2,988.84
(ii) Trade payables	22	4,216.44	4,253.80
(iii) Others	23	702.73	730.79
b) Provision	25	340.36	403.60
c) Other Current Liabilities	24	1,786.42	760.48
		7,466.88	9,137.51
TOTAL		17,100.66	15,661.04
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			
As per our report of even date For Pawan Jain And Associates <i>Chartered Accountants</i>		For and on behalf of Board of Directors For Kinetic Engineering Limited	
Pawan Jain Partner Membership Number- 032900 Firm Reg No.:0107867W Place: Pune Date: 30th May 2024 UDIN: 24032900BKFCBF1823	A. H. Firodia (Chairman) DIN:00057324	A. A Firodia (Managing Director & CFO) DIN:00332204	Chaitanya Mundra (Company Secretary)
	Chaitanya Koranne (Chief Executive Officer)		

Statement of Profit and Loss for the period ended March 31, 2024			
PARTICULARS	Note	March 31,2024	March 31 ,2023
INCOME			
a) Revenue from Operations	26	14,317.12	13,538.06
b) Other income	27	866.33	212.87
Total Income		15,183.45	13,750.93
EXPENSES			
a) Cost of materials consumed	28	8,372.47	7,633.30
b) Changes in inventories of finished goods and work-in-progress	29	(462.62)	(539.41)
c) Excise Duty on Sales	-	-	-
c) Employee benefits expenses	30	2,129.97	1,901.85
d) Finance costs	31	545.28	638.69
e) Depreciation and amortization expenses	3	642.09	647.62
f) Other expenses	32	3,434.75	3,155.82
Total Expenses		14,661.94	13,437.87
Profit/(Loss) before exceptional items and tax		521.51	313.07
Exceptional items		-	-
Profit/(Loss) before tax		521.51	313.07
Tax expenses			
a) Current tax		-	-
b) Deferred tax		-	-
Profit (Loss) for the year		521.51	313.07
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
(i) Re-measurement of net defined benefit plan		(4.22)	(5.98)
(ii) Income Tax Effect		-	-
Total Other Comprehensive Income		(4.22)	(5.98)
Total Comprehensive Income for the year		517.29	307.09
Earnings Per Share (Nominal value per share Rs. 10)			
Basic		2.33	1.54
Diluted		2.33	1.54
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			
As per our report of even date For Pawan Jain & Associates Chartered Accountants		For and on behalf of Board of Directors For Kinetic Engineering Limited	
Pawan Jain Partner Membership Number- 032900 Firm Reg No.:0107867W Place : Pune Date: 30th May 2024 UDIN: 24032900BKFCBF1823	A. H. Firodia (Chairman) DIN:00057324	A. A Firodia (Managing Director & CFO) DIN:00332204	
	Chaitanya Koranne (Chief Executive Officer)	Chaitanya Mundra (Company Secretary)	

Statement of Cash Flows For the period ended March 31, 2024

PARTICULARS	Rs in Lakhs	
	March 31 ,2024	March 31 ,2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) for the year	517.29	307.09
Adjustment For :		
Depreciation	642.09	647.62
Interest & Finance charges (Net)	506.63	446.67
Dividend Received	(5.94)	(5.81)
Unrealised gain on fair valuation of Investment	(15.93)	(26.69)
Unrealised Exchange difference loss / (gain)	(4.59)	1.81
Profit (-) / Loss (+) on sale of Investments	-	0.43
Profit (-) / Loss (+) on sale of Assets	(706.12)	(4.50)
Operative Profit before Working Capital Changes	933.42	1,366.63
Adjustment for net change in:		
Trade and Other Receivables	97.56	206.81
Inventories	(674.44)	(835.72)
Trade & Other payables	839.76	756.33
Cash generated from operations	1,196.30	1,494.04
Direct Taxes	(21.07)	(0.06)
Net Cash Generated from operating activities	1,175.22	1,493.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets (Net)	(506.22)	(392.45)
Sale of Property, Plant & Equipment and Intangible Assets	853.07	4.50
Sale/Purchase of Investment (Net)	0.00	18.51
Purchase of Investment (Net)	(1,153.00)	(250.00)
Dividend received	5.94	5.81
Interest Received	6.52	14.42
Net Cash used in investing activities	(793.68)	(599.22)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	58.73	(1,495.80)
Proceeds from Short Term Borrowings	(2,567.90)	(140.81)
Issue of Equity Shares	2,610.11	1,291.57
Interest and Financial Charges paid	(530.44)	(487.66)
Net Cash used in financing activities	(429.50)	(832.70)
D. Net change in Cash and cash equivalents (A+B+C)	(47.96)	62.05
Cash and Cash Equivalents (Opening)	77.75	15.70
Cash and Cash Equivalents (Closing)	29.79	77.75

Notes : 1. Figures in brackets represent cash outflows.
2. Previous year figures have been regrouped wherever necessary.
3. Cash and cash equivalents comprises of :

	March 31 ,2024	March 31 ,2023
Cash on hand	0.21	0.50
Balances with banks	29.58	77.25
	29.79	77.75

As per our report of even date
For **Pawan Jain & Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:107867W
Place : Pune
Date: 30th May 2024
UDIN: 24032900BKFCBF1823

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Mundra
(Company Secretary)

Statement of changes in equity for the period ended March 31, 2024

A. Equity share capital

PARTICULARS	Rs. In Lakhs	
	Number	Amount
As at April 01, 2022	1,87,03,621	1,870.36
Changes in equity share capital	11,72,900	117.29
As at March 31, 2023	1,98,76,521	1,987.65
Change in equity share capital	22.85	228.50
As at March 31, 2024	1,98,76,544	2,216.15

B. Other equity

PARTICULARS	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/Surplus	Other Comprehensive Income	(Rs. In Lakhs)	
								Ind AS Retained Earnings Promoters Loan Repaid	Total
As at April 01, 2022	1,963.52	3,535.19	9,632.81	8,669.25	0.46	(24,301.85)	(96.15)	-	(596.78)
Increase/ (Decrease)	-	-	1,174.26	-	-	-	(5.98)	-	1,481.36
Profit/(Loss) for the year	-	-	-	-	-	313.08	-	-	-
Changes during the year	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,988.78)	(102.13)	-	884.58
As at March 31, 2023	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,988.78)	(102.13)	-	884.58
As at April 01, 2023	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,988.78)	(102.13)	-	884.58
Increase/ (Decrease)	96.00	-	2,513.50	-	-	521.51	(4.22)	(227.89)	2,898.90
Others	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	2,059.52	3,535.19	13,320.57	8,669.25	0.46	(23,467.27)	(106.35)	(227.89)	3,783.49

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For **Pawan Jain And Associates**
Chartered Accountants

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:107867W
Place : Pune
Date: 30th May 2024
UDIN: 24032900BKFCBF1823

A. H. Firodia
(Chairman)
DIN:00057324

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Koranne
(Chief Executive Officer)

Chaitanya Mundra
(Company Secretary)

Notes to Financial Statements for the year ended March 31, 2024**Note - 1 : The Corporate Overview**

Kinetic Engineering Limited ('the company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The Registered Office of the Company is situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune. The company's ordinary shares are listed on the Bombay Stock Exchange.

The company is engaged in the manufacturing and supply of automotive components. The company caters to both domestic and international markets.

Note - 2 : Significant Accounting Policies**2.1 Statement of compliance**

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors at its meeting held on May 30, 2023.

2.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions which 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. Actual estimates may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

Estimation of current tax expense and payable – Note 14

Estimation of defined benefit obligation – Note 19 & Note 25

Recognition of revenue – Note 26

Recognition of deferred tax assets for carried forward tax losses – Note 6

Useful lives of property, plant and equipment – Note 3

Impairment of trade receivables – Note 9

Estimation and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

2.5 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle;

It is held primarily for the purpose of trading;

It is expected to be realised within twelve months after the reporting period; or

It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied by the company prospectively and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme(MEIS) claims are recognised in the statement of profit and loss on receipt basis.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is ascertained on a weighted average basis.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Net realisable 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.

2.8 Property, plant and equipment (PPE)**Recognition and measurement**

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Depreciation

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

On PPE acquired on or before 31 March 2000: Depreciation is recognised in the statement of profit and loss on a written down value basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

On PPE acquired after 31 March 2000: 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 property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

Freehold land is not depreciated.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives for main categories of property, plant and equipments are:

Category	Useful life
Building	30 to 60 years
Plant and Machinery	15 to 25 years
Electrical installation and Fittings	10 years
Dies, Jigs & Fixtures	10 to 15 years
Furniture and Fixtures	5 to 15 years
Office Equipments	3 to 5 years
Vehicles	8 to 10 years

2.9 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the company, 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.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

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 estimated useful lives are as follows:

Asset	Useful life
Software	4 Years

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured at cost less accumulated depreciation.

2.11 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12 Foreign currency transactions and balances

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

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

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

2.13 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises 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 reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and 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 When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. 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.

Compensated absences

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.16 Income tax

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

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 utilised. Unrecognised 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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.17 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Offsetting of financial instruments

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

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.18 Fair value measurement

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;

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.

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

2.19 Provisions and contingencies

A **provision** is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.20 Earnings per share (EPS)

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

2.21 Cash dividend to equity holders

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

NOTE 3 : FIXED ASSETS												
1ST APRIL 2023 TO 31ST MARCH 2024												
Particulars	Lease-hold Land	Free-hold Land	Tangible							In-tangible		Balance As At 31st MARCH 2024
			Buildings	Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures	Furniture Fixture	Computers	Office Equipment	Vehicles	Technical Know-how	
	**										**	
(1) GROSS BLOCK : OWNED ASSETS												
As At 1st April , 2023	79.06	2,080.00	3,098.94	15,839.08	216.05	1,951.64	432.00	602.76	17.02	107.77	643.40	25,067.71
Additions	-	-	17.11	445.26	50.61	161.01	2.03	29.43	0.71	-	1.05	707.21
Business Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	185.28	-	-	-	-	-	-	-	-	-	185.28
As At 31st March, 2024	79.06	1,894.73	3,116.05	16,284.33	266.66	2,112.65	434.03	632.20	17.72	107.77	644.45	25,589.65
Depreciation / Amortisation:												
Upto 31st March, 2023	1.39	-	3,003.24	12,477.40	200.73	1,254.44	392.89	576.90	10.51	61.62	618.02	18,597.14
For The April 2023 to 31st March 2024												
Depreciation	1.62	-	7.30	505.40	4.60	97.60	7.07	7.49	0.71	4.22	6.09	642.09
Business Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st March 2024	3.00	-	3,010.54	12,982.80	205.33	1,352.04	399.95	584.39	11.22	65.84	624.11	19,239.23
Net Block As At 31st March 2024	76.06	1,894.73	105.51	3,301.53	61.33	760.61	34.07	47.81	6.50	41.93	20.34	6,350.42
Net Block As At 31st March 2023	77.67	2,080.00	95.71	3,361.67	15.32	697.20	39.11	25.86	6.51	46.14	25.38	6,470.57
** Amortisation Charges For The Year Are In Respect Of Leasehold Land And Technical Know-how.												
(2) GROSS BLOCK : LEASED ASSETS												
As At 1st April , 2023	-	-	-	4.07	-	-	-	-	-	-	-	4.07
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
As At 31st March, 2024	-	-	-	4.07	-	-	-	-	-	-	-	4.07
Depreciation / Amortisation												
Upto 31st March, 2023	-	-	-	4.06	-	-	-	-	-	-	-	4.06
For The April 2023 to 31st March 2024												
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st March 2024	-	-	-	4.06	-	-	-	-	-	-	-	4.06
Net Block As At 31st March 2024	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Net Block As At 31st March 2023	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Net Block As At 31st March 2024	76.06	1,894.73	105.51	3,301.54	61.33	760.61	34.07	47.81	6.50	41.93	20.34	6,350.43
Net Block As At 31st March 2023	77.67	2,080.00	95.71	3,361.68	15.32	697.20	39.11	25.86	6.51	46.14	25.38	6,470.58
Gross block includes revaluation of assets made in terms of scheme of Arrangement approved by Bombay High court as under												
	Rs. In Lacs											
a) Free Hold Land	2,021											
c) Building	2,169											
c) Lease hold land	441											

Notes to financial statements for the year ended March 31st, 2024		
Note 4: Investments		
4 (a) Non-current investments	(Rs In Lakhs)	
PARTICULARS	March 31 ,2024	March 31, 2023
Investment in Equity instruments (fully paid-up)		
Equity instruments at FVTOCI		
Unquoted		
Kinetic Communications Limited	13.65	12.06
Kinetic Escalator and Elevator Limited	97.22	83.50
Kinetic Marketing & Services Limited		
Kinetic Motor Automotives Private Limited		
Total (equity instruments)	110.86	95.56
Equity instruments at FVTPL		
Unquoted		
Insubsidiary Company		
Kinetic Watts & Volts Limited	1403.00	250.00
Total (equity instruments)	1403.00	250.00
Investment in preference shares (fully paid-up)		
Preference instruments at FVTPL		
Unquoted		
Kinetic Green Energy and Power Solutions Ltd. [3,71,606 (31 March 2019: 5,90,000) Preference shares of Rs 100 each fully paid up]	371.47	371.47
Total (preference shares)	371.47	371.47
Investment in Shares (classified as FVTOCI)		
Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	0.01	0.01
Eicher Limited	0.03	0.03
Escorts Limited	1.39	0.95
Hindustan Motors Limited	0.03	0.03
LML Limited	0.00	-
Majestic Auto Limited	0.28	0.13
Hero Motocorp Limited (Formerly Hero Motors Limited)	0.05	-
The Premier Automobiles Limited	0.00	0.00
Saraswat Co-operative Bank Limited	0.25	0.25
Yes Bank Limited	-	-
Total (Shares)	2.05	1.40
Investment in Shares (classified as FVTPL)		
Ajinkya Auto Fab Limited	0	0
Total (Shares)		-
Investment in Government Securities (classified as FVTPL)		
7 Years National Savings Certificates	0.24	0.24
Total (Investment in Securities)	0.24	0.24
Total Non-current investments	1,887.60	718.67
4(b) Current investments		
PARTICULARS	March 31 ,2024	March 31, 2023
Investment in Mutual Fund (classified as FVTPL)		
HDFC Cash Management Fund		
BIRLA Sunlife Saving Fund		
Total current investments		-

Notes to financial statements for the period ended March. 31st, 2024		Rs In Lakhs	
PARTICULARS	March 31 ,2024	March 31 ,2023	
Note - 5 : Other Non Current Financial Asset			
(a) Security Deposits			
Unsecured, considered good	96.51	128.27	
Doubtful		-	
	96.51	128.27	
Less: Provision for doubtful deposits		-	
	96.51	128.27	
(b) Other Loans and advances			
(i) Advances			
Unsecured, considered good	23.37	15.47	
Doubtful		-	
	23.37	15.47	
Less: Provision for doubtful advances		-	
	23.37	15.47	
(ii) Bills Receivable (Refer Note-40 for details)	206.65	206.65	
Total	326.53	350.40	
Note - 6: Deferred tax assets (Net)			
	-		
Deferred tax liability			
(i) On accumulated depreciation	461.84	461.84	
(ii) On other timing differences		-	
Deferred tax liability (A)	461.84	461.84	
Deferred tax assets			
(i) On disallowance under Section 43B & 40A of Income Tax Act,1961	461.84	461.84	
(ii) On provision for doubtful debts		-	
(iii) On carried forward loss under Income Tax Act,1961		-	
Deferred tax assets (B)	461.84	461.84	
Note - 7: Other Non Current Assets			
(a) Capital Advances			
Unsecured, considered good	45.08	84.95	
Doubtful		-	
	45.08	84.95	
Less: Provision for doubtful advances		-	
	45.08	84.95	
(b) Others	27.93	15.95	
Total	73.01	100.90	

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

PARTICULARS	Rs In Lakhs	
	March 31 ,2024	March 31 ,2023

Note - 8: Inventories

(i) Raw Materials	611.32	616.42
(ii) Work-in-progress	3,131.13	2,668.51
(iii) Finished goods		-
(iv) Stores and spares	1,359.95	1,143.03
Total	5,102.40	4,427.96

Note - 9: Trade Receivables

(i) Unsecured, considered good	3,154.42	2,933.30
(ii) Unsecured, considered doubtful		-
	3,154.42	2,933.30
Less Allowance for doubtful debts		-
Total	3,154.42	2,933.30

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade receivables are due from firms or private companies respectively in which and director is a partner or a member. Trade Receivables are non-interest bearing and generally on credit terms of 60 to 90 days.

Aging Schedule as on 31st March, 2024

Particulars	Less than 6	6 Months- 1 Year	Total
Unsecured & Considered Good	3,027.08	127.34	3154.42
Unsecured & Considered doubtful	-	-	

Aging Schedule as on 31st March, 2023

Particulars	Less than 6	6 Months- 1 Year	Total
Unsecured & Considered Good	2,656.55	276.74	2,933.30
Unsecured & Considered doubtful	-	-	-

Note - 10 : Cash and cash equivalents

(i) Balance with Banks	29.58	77.25
(ii) Cash on hand	0.21	0.50
Total	29.79	77.75

Note - 11: Other Bank Balances

(i) Fixed deposits (more than 3 months but less than 12 months)	45.17	33.74
Total	45.17	33.74

Note - 12 : Current Loans

(i) Deposits with Govt. authorities		
Unsecured, considered good	3.65	3.65
Doubtful		-
	3.65	3.65
Less Provision for doubtful advances		-
Total	3.65	3.65

Note - 13: Other Current Financial Assets

(i) Interest Accrued on Investments & Deposits	2.75	3.82
(ii) Receivable of Sale of Undertaking		-
Total	2.75	3.82

Note - 14 : Current Tax Assets(Net)

(i) Advance Income tax net of provision	61.99	40.92
Total	61.99	40.92

Note - 15: Other current assets

(i) Advances to suppliers and others		
Unsecured, considered good	62.95	376.59
Doubtful		-
	62.95	376.59
Less Provision for doubtful advances		-
Total	62.95	376.59

Notes to financial statements for the year ended March 31st, 2024
H. Terms/rights attached to Preference shares

- 1 Each Optionally Convertible Cumulative Preference Share (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs. 146/- per share within 18 months from the date of allotment (i.e. 30.12.2006 wrt. 36,923 shares; and 11.1.2007 wrt. 65,077 shares) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend @ 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottee. If any OCCPS is not converted into equity shares, such unconverted preference shares shall carry preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottee and will be redeemed any time after expiry of a period of 5 years from the date of allotment at the option of the Company subject to necessary consent and approval. The option to convert has lapsed.
- 2 Redeemable Cumulative Preference Shares shall be redeemed at the option of the Company at any time after the expiry of a period of 5 years from the date of allotment i.e. 30.12.2006, subject to necessary consent or approval. They will carry a preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or other date(s) as may be acceptable to the allottee.
- 3 Each Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs.10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to the allottee. If any OCCPS are not converted into equity shares, such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after the expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 4 Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The 8.5% new OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottees. If any 8.5% new OCCPS are not converted into equity shares such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% pa due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 5 On 5th February, 2018, the Company, on request of allottees, has exercised its option for conversion of 9,92,639 (8.5% Optionally Convertible Cumulative Preference shares of Rs. 22/- each with premium of Rs. 67.66 /- each) into equity shares of Rs.10/- with premium of Rs. 81.01 each, ranking pari passu with the existing equity shares of the Company. The company is in the process of obtaining necessary approval from BSE/SEBI in respect of preferential allotment made.
- 6 Classification of Preference Shares.-Preference shareholders have given their "in-principal consent" for waiver of cumulative fixed dividend on their preference shares and for converting them into equity shares as per the applicable laws. In view of the above, no provision for dividend under finance cost has been considered necessary & it is considered as other equity.

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

Note-16: Share Capital

A. Authorised Share Capital

(i) Equity Share Capital	Number	Rs. In Lakhs
Authorised shares as at April 01, 2023	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2024	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total authorised Equity share capital as at 31 March, 2024	5,30,13,932	5,301.39
(ii) Preference Share Capital	Number	Rs. In Lakhs
Authorised shares as at April 01, 2023	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2024	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total authorised Preference share capital as at 31 March 2024	4,22,23,780	14,289.43
Total authorised Share capital as at 31 March 2024	9,52,37,712	19,590.83

B. Issued, Subscribed & fully Paid Up Share Capital

(i) Equity Share Capital	Number	Rs. In Lakhs
Balance as at April 01, 2023	187.04	1,870.36
Changes during the period	11.73	117.29
Balance as at March 2024	198.77	1,987.65
Changes during the period	22.850	228.50
Balance as at March 31, 2024	221.62	2,216.15

C. Details of equity shareholders holding more than 5% shares

Name of shareholder	March 31, 2024		March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jayashree A. Firodia	39,25,222	17.71%	34,75,222	17.48%
Microage Instruments pvt ltd.	55,22,993	24.92%	48,32,993	24.32%
Ashoka Investment Holdings Limited	17,50,452	7.90%	17,50,452	8.81%
Ajinkya Arun Firodia	26,42,624	11.92%	24,17,624	12.16%

D. Terms/rights attached to equity shares

- 1 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 distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Note 17: Other Equity

PARTICULARS	Rs in Lakhs	
	March 31 ,2024	March 31, 2023
A. PREFERENCE SHARE CAPITAL		
a) 1,02,000 Optionally Convertible Cumulative Preference Shares of Rs. 156/- each (Note no.17 H-1)	159.12	159.12
b) 3,20,500 Redeemable Cumulative Preference Shares of Rs. 156/- each.(Note no.17 H-2)	499.98	499.98
c) 8,30,154 Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.17 H-3)	539.60	539.60
d) 11,76,650 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.18 H-4)	764.82	764.82
e) 80,000 Optionally Convertible Cumulative Preferences Shares of Rs. 120 each	96.00	
Total	2,059.52	1,963.52
B. Capital Reserves		
Opening Balance	3,535.19	3,535.19
(+)/(-) Transfer	-	-
Closing Balance	3,535.19	3,535.19
C. Securities Premium Account		
Opening Balance	10,807.07	9,632.81
(+)/(-) Transfer	2,513.50	1,174.26
Closing Balance	13,320.57	10,807.07
D. General Reserve		
Opening balance	8,669.25	8,669.25
(+)/(-) Transfer	-	-
Closing Balance	8,669.25	8,669.25
E. Special Reserve		
Opening balance	0.46	0.46
(+)/(-) Transfer	-	-
Closing Balance	0.46	0.46
F. Surplus		
Opening balance	(24,090.92)	(24,398.01)
(+) Ind AS Retained Earnings Promoters Loan Repaid	(227.89)	
Other Comprehensive Income	-	(5.98)
(+) Net Profit / (Net Loss) for the current year	521.51	313.08
(+) Fair Value revaluation balance of Investment sold	15.93	-
(+)Re-measurement of net defined benefit plan	(20.15)	
Closing Balance	(23,801.52)	(24,090.92)
Total (A+B+C+D+E+F)	3,783.48	884.57

Notes to financial statements for the period ended March 31st, 2024

PARTICULARS	Rs. In Lakhs	
	March 31 ,2024	March 31, 2023
Note - 18: Non Current Borrowings		
Secured		
(a) Term Loans from Banks	2,509.26	762.23
Unsecured		
(a) Loans and advances from related parties	50.00	1,090.59
(b) Term Loans from Others	350.20	434.20
Total	2,909.46	2,287.02
Note -19: Non Current Provisions		
Provision for employee benefits :		
(a) Gratuity	165.81	218.59
(b) Leave Encashment	32.20	38.29
Total	198.01	256.88
Note -20: Other Non Current Liabilities		
(a) Others		
(i) Remeasurement of Long Term Liabilities	33.20	650.67
(ii) Payable to Related Party	493.47	456.73
	526.68	1,107.40
Note - 21: Current Borrowings		
Secured		
(a) Cash Credit Facility from Banks	420.97	993.95
Unsecured		
(a) Overdraft Facility from Banks	-0.03	1,340.88
(b) Short Term Loan From Bank	0.00	654.01
Total	420.94	2,988.84
Cash credit from banks are repayable on demand and are secured by hypothecation of Stock and Debtors and pari-passu second charge on factory land and building at Ahmednagar.		

Note - 22: Trade payables**Unsecured :**

(a) Trade payables	4,216.44	4,253.80
Total	4,216.44	4,253.80

Aging Schedule as on 31st March, 2024

Particulars	Less than 6	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	348.73	84.72	433.45
Creditors other than MSME	3,176.89	606.10	3,782.99

Aging Schedule as on 31st March, 2023

Particulars	Less than 6	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	382.12	87.69	469.814
Creditors other than MSME	2,892.92	891.07	3783.986

Note - 23: Other Current Financial Liabilities

(a) Current maturities of long-term debt	413.71	377.16
(b) Interest accrued and due on borrowings		
(c) Interest accrued but not due on borrowings	5.77	6.93
(d) Other payables		
(i) Premium payable on Redemption of Debentures	35.20	35.20
(ii) Capital Creditors	-	58.84
(iii) Other Liabilities	248.05	252.66
Total	702.73	730.79

Note - 24: Other Current Liabilities

(a) Other payables		
(i) Advance against Sales	1.03	53.79
(ii) Advance against Sales of Assets	1,738.64	612.00
(iii) Other Liabilities	46.75	94.69
Total	1,786.42	760.48

Note - 25 : Current Provisions**Provision for employee benefits :**

(a) Gratuity	314.55	385.38
(b) Leave Encashment	25.81	18.22
Total	340.36	403.60

Notes to financial statements for the period ended March 31st, 2024

Rs. In Lakhs

25.1 Employee benefits

a) Defined contribution plans**(i) Provident fund**

The Company operates plan for its employees to provide employee benefits in the nature of "Provident fund" and "Employee Pension Schemes". Contributions are made at the rate as prescribed in the regulations. The Company has recognised following amount in the statement of profit and loss:

Particulars	March 31 ,2024	March 31, 2023
Provident fund	54.07	48.63
Employees Pension Scheme	63.31	60.14
Total	117.38	108.77

b) Defined benefit plan**(i) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with Reliance Nippon Life Insurance Company Limited of India, to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

Particulars	March 31 ,2024	March 31, 2023
Gratuity		
Non-current	165.81	218.59
Current	314.55	385.38
Total	480.36	603.97

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

Particulars	March 31 ,2024	March 31, 2023
Present value of obligation as at the beginning of the period	605.14	752.20
Interest cost	37.92	46.47
Current service cost	15.98	17.79
Benefits paid	(199.08)	(231.14)
Remeasurements on obligation - (gain) / loss	21.21	19.82
Present value of obligation as at the end of the period	481.16	605.14

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	March 31 ,2024	March 31, 2023
Fair value of plan assets at the beginning of the period	25.93	24.50
Adjustment to opening funds		0
Interest income	1.94	1.81572
Contributions	0	59.15
Benefits paid	-	(58.38)
Mortality charges and Taxes	(0.45)	(0.46)
Transfer In / (Out)		-
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	1.06	(0.70)
Fair value of plan assets as at the end of the period	28.48	25.93

Amounts recognised in the balance sheet are as follows:

Particulars	March 31 ,2024	March 31, 2023
Present value of obligation as at the end of the period	481.16	605.14
Fair value of plan assets as at the end of the period	28.47	25.93
Surplus / (deficit)	(452.68)	(579.21)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	March 31 ,2024	March 31, 2023
Current service cost	15.98	17.79
Net interest (income) / expense	35.98	44.66
Net periodic benefit cost recognised in the statement of profit and loss	51.95	62.45

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	March 31 ,2024	March 31, 2023
Remeasurement for the year - obligation (gain) / loss	21.21	19.82
Remeasurement for the year - plan assets (gain) / loss	(1.06)	(52.48)
Total remeasurements cost / (credit) for the year	20.15	(32.67)

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	March 31 ,2024	March 31, 2023
Interest (income) / expense - obligation	37.92	46.47
Interest (income) / expense - plan assets	(1.94)	(1.82)
Net interest (income) / expense for the year	35.98	44.66

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	March 31 ,2024	March 31, 2023
Discount rate	7.20%	7.50%
Rate of increase in compensation levels	3.00%	3.00%
Expected rate of return on plan assets	7.50%	7.30%
Expected average remaining working lives of employees (in years)	6.84%	16.16%
Withdrawal rate		
Age upto 30 years	10.00%	1.00%
Age 31 - 40 years	10.00%	1.00%
Age 41 - 50 years	10.00%	1.00%
Age above 50 years	10.00%	1.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumptions are shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%) at a time:

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

	Present value of obligation	
Discount rate	March 31 ,2024	March 31, 2023
Decrease by 1%	490.51	618.62
Increase by 1%	472.54	593.13

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

	Present value of obligation	
Salary increment rate	March 31 ,2024	March 31, 2023
Decrease by 1%	474.77	595.20
Increase by 1%	488.03	616.22

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

	Present value of obligation	
Withdrawal rate	March 31 ,2024	March 31, 2023
Decrease by 1%	479.35	600.80
Increase by 1%	482.82	609.03

PARTICULARS	Rs In Lakhs	
	March 31 ,2024	March 31, 2023
Note - 26: Revenue from operations		
(a) Sale of Products	14,292.27	13,517.91
(b) Machining and Processing Receipts	14.31	6.59
(c) Other operating revenue	10.55	13.56
Total	14,317.12	13,538.06
Note - 27: Other income		
(a) Interest Income		
(i) On Fixed Deposits	2.16	12.50
(ii) From Others	3.29	2.24
(b) Dividend Income from:		
(i) Long Term Investment	5.94	5.81
(ii) Short Term Investment		
(c) Profit / (Loss) on sale of Assets	706.12	4.50
(d) Profit / (Loss) on sale of Investments		(0.43)
(e) Sundry Credit Balances Written Back	5.46	0.15
(f) Excess Provision Written Back		
(g) Amortisation of deferred financial assistance		
(i) From related parties	-	144.08
(ii) From others	33.20	33.20
(h) Fair Valuation (Gain)/Loss on Investments		-
(i) Others	110.15	10.83
Total	866.33	212.87
Note - 28 : Cost of material consumed		
(a) Raw Material Consumed	6,688.97	6,060.35
(b) Stores and Spares Consumed	1,133.81	1,069.88
(c) Fabrication and Processing Charges	479.43	441.32
(d) Freight, Octroi and Forwarding Charges	70.27	61.74
Total	8,372.47	7,633.30
Note - 29: Changes in inventories of finished goods and work-in-progress		
Inventory at the end of the year		
(a) Finished Goods		
(b) Work-In- Progress	3,131.13	2,668.51
Total	3,131.13	2,668.51
Inventory at the beginning of the year		
(a) Finished Goods		
(b) Work-In- Progress	2,668.51	2,129.10
Total	2,668.51	2,129.10
Increase (-) / decrease (+) in inventories	(462.62)	(539.41)

PARTICULARS	Rs In Lakhs	
	March 31 ,2024	March 31, 2023
Note - 30: Employee benefit expenses		
(a) Salaries & wages	1,822.84	1,661.85
(b) Contributions to provident and other funds	126.83	132.37
(c) Gratuity	52.40	26.26
(d) Staff welfare expenses	127.90	81.38
Total	2,129.97	1,901.85
Note - 31: Finance costs		
(a) Interest expense	512.05	467.09
(b) Unwinding of Loans		
(i) Related party loans	-	128.72
(ii) Other loans	16.00	22.93
(c) Other Borrowing Costs	17.23	19.95
Total	545.28	638.69
Note - 32: Other expenses		
(a) Power & Fuel	1,595.79	1,627.70
(b) Repairs and Maintenance:		
(i) Plant and Machinery	142.85	130.55
(ii) Buildings	13.66	13.86
(iii) Others	4.45	2.43
(c) Contract Labour cost	1,067.65	876.93
(d) Rent	18.00	31.25
(e) Outward Freight Charges	154.12	119.89
(f) Packing and Forwarding Charges	43.37	68.32
(g) Legal, Professional & Consultancy Fee	172.32	150.09
(h) Rates and taxes	12.66	11.96
(i) Travelling Expenses	26.20	37.47
(j) Insurance	32.85	6.88
(k) Payments to auditor (Refer details below)	5.00	4.91
(l) Exchange (Gain) / Loss	(75.94)	(141.71)
(m) Custom Duty Paid (Net)	1.32	2.81
(n) Publicity & Sales Promotion	3.95	8.25
(o) Directors Fees & Travelling Expenses	2.02	2.23
(p) Maintenance Other	38.12	31.37
(q) Miscellaneous Expenses	218.23	181.24
	3,476.63	3,166.41
Less: Expenses Capitalised	41.88	10.59
Total	3,434.75	3,155.82
Details of payments to Auditors		
Audit Fee	3.20	3.35
Tax Audit Fee	0.60	0.60
Limited review and Certification work	1.20	0.80
Total	5.00	4.75

Note 33 Income Taxes

As per Ind As 12 An explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms need to be disclosed:

– a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

or

– a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

The above said reconciliation will not arise in situations where there is accounting losses to taxable Income.

Note 34 Financial instruments – Fair values and risk management

Rs. In Lakhs								
March 31, 2024	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial Assets								
Investments								
Quoted Equity Instruments	-	-	2.05	2.05	2.05	-	-	2.05
Unquoted Equity Instruments *	-	1,403.00	110.86	1,513.86	-	1,513.86	-	1,513.86
Unquoted Preference Shares	-	371.47	-	371.47	-	-	371.47	371.47
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24
Current Financial Assets								
Current Investments								
Trade Receivables	3,154.42	-	-	3,154.42	-	-	-	-
Cash and Cash Equivalents	29.79	-	-	29.79	-	-	-	-
Other Bank Balances	45.17	-	-	45.17	-	-	-	-
Loans	3.65	-	-	3.65	-	-	-	-
Other Financial Assets	2.75	-	-	2.75	-	-	-	-
	3,235.78	1,774.71	112.91	5,123.40	2.05	1,513.86	371.71	1,887.62
Non-Current Financial Liabilities								
Borrowings								
	2,909.46	-	-	2,909.46	-	-	-	-
Current Financial Liabilities								
Borrowings								
	420.94	-	-	420.94	-	-	-	-
Trade Payables	4,216.44	-	-	4,216.44	-	-	-	-
Other Financial Liabilities	702.73	-	-	702.73	-	-	-	-
	8,249.56	-	-	8,249.56	-	-	-	-
31st march, 2023								
31st march, 2023	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial Assets								
Investments								
Quoted Equity Instruments	-	-	1.40	1.40	1.40	-	-	1.40
Unquoted Equity Instruments *	-	-	345.56	345.56	-	345.56	-	345.56
Unquoted Preference Shares	-	371.47	-	371.47	-	-	371.47	371.47
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24
Current Financial Assets								
Current Investments								
Trade Receivables	2,933.30	-	-	2,933.30	-	-	-	-
Cash and Cash Equivalents	77.75	-	-	77.75	-	-	-	-
Other Bank Balances	33.74	-	-	33.74	-	-	-	-
Loans	3.65	-	-	3.65	-	-	-	-
Other Financial Assets	3.82	-	-	3.82	-	-	-	-
	3,052.26	371.71	346.96	3,770.93	1.40	345.56	371.71	718.67
Non-Current Financial Liabilities								
Borrowings								
	2,287.02	-	-	2,287.02	-	-	-	-
Current Financial Liabilities								
Borrowings								
	2,988.84	-	-	2,988.84	-	-	-	-
Trade Payables	4,253.80	-	-	4,253.80	-	-	-	-
Other Financial Liabilities	730.79	-	-	730.79	-	-	-	-
	10,260.45	-	-	10,260.45	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of instrument is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Note 35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

(A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been made for expected credit loss for credit risk arising from these financial assets.

Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The credit risk is considered low given the past experience of negligible or minimal write-offs.

The ageing of trade receivables are as follows:

	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Not past due date	2,374.08	2,099.45
Past due 1-90 days	406.41	542.97
Past due 91-180 days	246.59	14.13
Past due more than 180 days	127.34	276.74
Total Trade receivables	3,154.42	2,933.30

(B) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The company has obtained fund based / Non-fund based working capital facilities from banks.

Exposure to liquidity risk

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity group based on their contractual maturities:

	Rs. In Lakhs		
	< 1 year	1 to 3 years	> 3 years
March 31, 2024			
Non-derivative liabilities			
Borrowings	420.94	939.84	1,969.62
Trade payables	4,216.44	-	-
Other financial liabilities	702.73	-	-
Total non-derivative liabilities	5,340.10	939.84	1,969.62
March 31, 2023			
Non-derivative liabilities			
Borrowings	2,988.84	1,091.18	1,195.84
Trade payables	4,253.80	-	-
Other financial liabilities	730.79	-	-
Total non-derivative liabilities	7,973.43	1,091.18	1,195.84

(C) Market risk**(i) Foreign currency risk**

Foreign currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency which is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

(a) The Company's exposure to foreign currency risk at the end of the year are as follows :-

Particulars	Currency	Amt. In Lakhs	
		Exposure in F.C.	Exposure in INR
Financial Assets			
Trade receivables	USD		
As at March 31, 2024		13.02	1,063.07
As at March 31, 2023		13.79	1,114.93
Financial Liabilities			
Trade Payables	USD		
As at March 31, 2024		0.07	5.91
As at March 31, 2023		0.08	6.37
Net Exposure as at March 31, 2024		12.95	1,057.16
Net Exposure as at March 31, 2023		13.71	1,108.56

(b) Sensitivity analysis:

	Rs. In Lakhs	
	Impact on profit before tax	
	March 31, 2024	March 31, 2023
USD sensitivity		
INR/USD -Increase by 5% *	52.86	55.44
INR/USD -Decrease by 5% *	(52.86)	(55.44)

*Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company Interest rate risk is linked to PLR rates therefore subject to interest rate risk, carrying amount and future cash flows will fluctuate because of change in the market interest rates (PLR Rates).

Sensitivity:

	Rs. In Lakhs	
	Impact on profit before tax	
	March 31, 2024	March 31, 2023
Change		
25 Basis Points increase	13.63	(15.97)
25 Basis Points decrease	-13.63	15.97

Note 36 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position are as follow:

Particulars	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Net debt	3,330.40	5,275.86
Less: Cash and Cash Equivalents	74.96	111.49
Less: Current Investments	-	-
Adjusted net (Cash)/Debt	3,255.44	5,164.37
Total equity	5,999.64	2,872.24
Net debt to equity ratio	0.54	1.80

Note 37 Segment Reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available which involves predominantly one operating segment i.e. automotive components.

Note 38 Contingencies and commitments

Particulars	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Contingent Liabilities:		
a. Income Tax matter under appeal approx	5.75	5.75
b. Sales Tax matter under appeal	9.17	9.17
c. Excise Duty in dispute	111.74	111.74
d. ESIC liability in dispute	1.26	1.26
e. Municipal property Tax in dispute	9.16	9.16
f. Labour Cases	37.92	50.54
g. Entry Tax in dispute	6.19	6.19
h. Other Compensation Matters	15.00	20.00
i. Claim against Company not acknowledged as debt	26.07	26.07
Commitments :		
On Capital Account	256.53	262.92

Note 39 Earnings per share

Particulars	March 31, 2024	March 31, 2023
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	517.29	307.09
b) Weighted average number of equity shares outstanding (Nos.)	2,21,61,521	1,98,76,521
c) Earnings per share		
- Basic and diluted	2.33	1.54

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

Note 40 Company has purchased six bills of exchange and paid Rs. 206.65 Lakhs (Rs. 206.65 Lakhs) for the same. These bills have matured but have not been honoured. Company has filed suits in the High Court of Judicature at Bombay.

Note 41 Issue of **4550** (4550) Bonus Shares and **480** (480) Rights shares have been kept in abeyance as per the provisions of the Companies Act.

Note 42 In terms of the Notification dated March 31, 2009 by The Ministry of Corporate Affairs amending the erstwhile Ind AS -21 "The Effects of Changes in Foreign Exchange Rates", the company had exercised the option to recognize the exchange difference on long term non-monetary items retrospectively from the accounting period 2007-08. Such exchange differences relating to the acquisition of capital assets are adjusted to the cost of capital and would be depreciated over the balance life of the asset. Exchange difference amounting to **Rs. 373.90** Lakhs (Rs. 552.29 Lakhs) has been carried in the Fixed Assets as on March 31, 2024.

Note 43 Disclosure as required under Micro Small and Medium Enterprises Development Act, 2006
Rs in Lakhs

PARTICULARS	As at March 31, 2024
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	433.45
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	12.72
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-
iv. The amount of interest due and payable for the year	12.72
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	12.72

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information made available with the company.

Note 44 In view of the expected growth in Indian Automobile Industry and business potential of the company, the company expects growth in its turnover and financial position. Based on these future prospects, the financial statements of the company have been prepared on going concern basis.

Note 45 Related Party Transactions
a) Name of Related Parties

Jaya Hind Sciaky Ltd.
Kinetic Communications Ltd.
Microage Instruments Pvt. Ltd.
Kinetic Hyundai Elevator & Movement Technologies Ltd.
Kinetic Green Energy & Power Solutions Limited.
Motoroyale (India) Private Ltd. (Erstwhile Norton Motoroyale India Private Ltd.)
Kinetic Watts & Volts Limited.

b) Key Management Personnel

Chairman	Mr. Arun Hastimal Firodia
Managing Director & CFO	Mr. Ajinkya Arun Firodia
Chief Executive Officer	Mr. Chaitanya Koranne
Company Secretary	Mr. Chaitanya Mundra
Non-executive directors	Mrs. Jayashree Arun Firodia Mrs. Sulajja Firodia Motwani Mr. Ramesh Jankiram Kabra Mr. Shirish Ratanlal Kotecha Mr. Rohit Prakash Bafana Mr. Jinendra Hirachand Munot Mr. Venkataiah Madipalli

c) Transactions and balances with related parties have been set out below:

Particulars	March 31, 2024	March 31, 2023
Jaya Hind Sciaky Ltd.		
Reimbursement of Expenses	-	-
Job Work Charges Paid	-	-
Kinetic Green Energy & Power Solutions Limited		
Sales of Goods	955.66	558.37
Reimbursement of Expenses	27.49	29.77
Rent Received	133.59	2.10
Purchase of Goods	39.41	-
Paint Shop Work	7.67	-
Kinetic Hyundai Elevator & Movement Technologies Ltd.		
Dividend Received	5.40	5.40
Kinetic Communication Ltd		
Dividend Received	0.48	0.32
Reimbursement of expenses received from KCL(net)	1.07	1.18
Micro Age Instruments Pvt Ltd		
Reimbursement of expenses received from MAIPL	-	5.31
Electricity Charges Paid (Solar)	102.92	86.00
Remuneration to Key Managerial Persons		
Mr. Ajinkya Firodia	98.71	98.99
Mr. Chaitanya Koranne (Professional Fees)	14.42	28.58
Mr. Chaitanya Mundra	15.07	12.73
Director Sitting Fee		
Mr. Shirish Ratanlal Kotecha	0.41	0.60
Mrs. Jayashree Arun Firodia	0.28	0.28
Mr. Rohit Prakash Bafna	0.50	0.36
Mr. Jinendra Hirachand Munot	0.26	0.50
Mr. Ramesh Jankiram Kabra	-	0.12
Mr. Venkataiah Madipalli	0.50	0.38
Mr. Dattatray Navale	0.07	-

Notes to financial statements for the year ended March 31, 2024**Note-46 Ratios**

Sr No	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023
a)	Current Ratio (Times)	Current Assets	Current Liabilities	1.13	0.86
b)	Debt- Equity Ratio (Times)	Net Debt	Equity	0.54	1.80
c)	Debt Service Coverage Ratio (Times)	PBIDTA	Principal + Interest Repayment of loans during the year	1.85	1.71
d)	Return on Equity Ratio (Percentage)	Net Profit	Average Shareholders' Equity	11.76%	15.10%
e)	Inventory Turnover Ratio (Times)	Cost of Material Consumed	Average Inventory	1.66	1.77
f)	Trade Receivables Turnover Ratio (Times)	Total Sales	Average Trade Receivables	4.70	4.52
g)	Trade Payables Turnover Ratio (Times)	Total Purchases	Average Trade Payables	2.58	2.37
h)	Net Capital Turnover Ratio (Times)			NA	NA
i)	Net Profit Ratio (Percentage)	Net Profit	Total Sales	3.64%	2.31%
j)	Return on Capital Employed (Percentage)	PBIDTA	Average Capital Employed	7.41%	6.1%

Notes

- i) Current Ratio has improved due to better efficiency and performance.
- ii) Debt- Equity Ratio improved on account of conversion of loan into equity, repayment of terms loans and improvement in profitability.
- iii) Return on Equity ratio has gone down due to increase in equity.
- iv) Net Profit Ratio and Return of Capital Employed has improved because of increase in Turnover and better efficiency.

Note-47 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (ii) The Company does not have any investment property.
- (iii) There is no revaluation of Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year, hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Company has been sanctioned facilities from banks on the basis of security of current assets in excess of Rs 5 Cr. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company taking into account notes given in the said statements.
- (vii) The Company has not been declared as wilful defaulter by any of the lenders.
- (viii) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2024.
- (ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2024.
- (x) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- (xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
- (xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xiii) The Company has not operated in any crypto currency or Virtual Currency transactions.
- (xiv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Note-48 Provision for Current Tax

No provision for current tax has been made since there is no taxable income in view carried forward business losses and unabsorbed depreciation.

Note- 49 Figures for the previous year have been regrouped/ reclassified, wherever necessary, to confirm current year's classification.

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:0107867W
Place : Pune
Date: 30th May, 2024
UDIN: 24032900BKFCBF1823

A. H. Firodia
(Chairman)
DIN:00057324

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Koranne
(Chief Executive Officer)

Chaitanya Mundra
(Company Secretary)

INDEPENDENT AUDITOR'S REPORT

To the members of
KINETIC ENGINEERING LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **KINETIC ENGINEERING LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows for the year ended on that date, and notes to Consolidated financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

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

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 if we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the consolidated balance sheet, consolidated profit and loss statements and consolidated statement of cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the company included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent Auditors.

Materiality is the magnitude of the misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, there are no matters which require reporting as specified in paragraph 3(xxi) of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure 1"; and
 - g) 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 Consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, 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 Holding Company or any of such subsidiaries 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 respective Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement. The Holding Company did not have any associate company incorporated in India and did not exercise joint control over any entity incorporated in India.

For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W

CA Pawan Jain
Partner
Membership No: 032900

Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544

ANNEXURE 1 to INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of 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')

In conjunction with our audit of the consolidated financial statements of Kinetic Engineering Ltd. (hereinafter referred to as the 'Holding Company') as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and

appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary, which is incorporated in India, is based on the corresponding reports of the auditors of such subsidiary. The Holding Company did not have any associate company incorporated in India and did not exercise joint control over any entity incorporated in India.

**For Pawan Jain and Associates
Chartered Accountants
Firm Registration No: 0107867W**

**CA Pawan Jain
Partner
Membership No: 032900**

**Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544**

KINETIC ENGINEERING LIMITED			
Balance Sheet as at March 31, 2024			Rs. In Lakhs
PARTICULARS	Note	March 31 ,2024	March 31 ,2023
ASSETS			
1) Non-current assets			
a) Property, Plant & Equipment	3	6,347.01	6,458.41
b) Capital work-in-progress		472.43	159.96
c) Other Intangible Assets	3	20.34	25.38
d) Financial Assets			
(i) Investments	4	886.23	468.67
(ii) Other	5	326.71	350.58
e) Deferred Tax Assets	6	-	-
f) Other Non-Current Assets	7	73.01	100.90
		8,125.72	7,563.89
2) Current assets			
a) Inventories	8	5,102.40	4,427.96
b) Financial Assets			
(i) Investments	4	-	-
(ii) Trade receivables	9	3,154.42	2,933.30
(iii) Cash and cash equivalents	10	66.36	258.25
(iv) Bank Balances other than (iii) above	11	901.17	33.74
(v) Loans	12	3.65	3.65
(vi) Others	13	2.75	3.82
c) Current Tax Assets(Net)	14	61.99	40.92
d) Other current assets	15	175.96	423.03
		9,468.71	8,124.67
TOTAL		17,594.43	15,688.56
EQUITY AND LIABILITIES			
Equity			
a) Share Capital	16	2,216.15	1,987.65
b) Other Equity	17	3,763.50	880.56
Equity attributable to owners of Company		5,979.65	2,868.21
Non Controlling Interest		445.17	20.07
		6,424.82	2,888.28
Liabilities			
1) Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	18	2,909.46	2,287.02
b) Provisions	19	198.01	256.88
c) Other Non-Current Liabilities	20	526.68	1,107.40
		3,634.15	3,651.29
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings	21	420.94	2,988.84
(ii) Trade payables	22	4,216.44	4,253.80
(iii) Others	23	702.73	730.79
b) Provision	25	340.36	403.60
c) Other Current Liabilities	24	1,855.00	771.95
		7,535.47	9,148.98
TOTAL		17,594.43	15,688.56
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:0107867W
Place: Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Mundra
(Company Secretary)

KINETIC ENGINEERING LIMITED			
Statement of Profit and Loss for the period ended March 31, 2024			Rs. In Lakhs
PARTICULARS	Note	March 31, 2024	March 31, 2023
INCOME :			
a) Revenue from Operations	26	14,317.12	13,538.06
b) Other income	27	886.39	212.87
Total Income		15,203.51	13,750.93
EXPENSES :			
a) Cost of materials consumed	28	8,372.47	7,633.30
b) Changes in inventories of finished goods and work-in-progress		(462.62)	(539.41)
c) Excise Duty on Sales	-		
c) Employee benefits expenses	30	2,140.59	1,903.77
d) Finance costs	31	545.31	638.69
e) Depreciation and amortization expenses	3	644.55	647.84
f) Other expenses	32	3,465.41	3,158.03
Total Expenses		14,705.71	13,442.20
Profit/(Loss) before exceptional items and tax		497.81	308.73
Exceptional items		-	-
Profit/(Loss) before tax		497.81	308.73
Tax expenses :			
a) Current tax		-	-
b) Deferred tax		-	-
Profit (Loss) for the year		497.81	308.73
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
(i) Re-measurement of net defined benefit plan		(2.60)	(5.98)
(ii) Income Tax Effect		-	-
Total Other Comprehensive Income		(2.60)	(5.98)
Total Comprehensive Income for the year		495.21	302.75
Earnings Per Share (Nominal value per share Rs. 10)			
Basic		2.23	1.54
Diluted		2.23	1.54
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			
As per our report of even date For Pawan Jain & Associates Chartered Accountants		For and on behalf of Board of Directors For Kinetic Engineering Limited	
Pawan Jain Partner Membership Number- 032900 Firm Reg No.:0107867W Place : Pune Date: 30th May 2024 UDIN:24032900BKFCBG6544	A. H. Firodia (Chairman) DIN:00057324	A. A Firodia (Managing Director & CFO) DIN:00332204	
	Chaitanya Koranne (Chief Executive Officer)	Chaitanya Mundra (Company Secretary)	

KINETIC ENGINEERING LIMITED

Statement of Cash Flows For the period ended March 31, 2024

PARTICULARS	Rs in Lakhs	
	March 31 ,2024	March 31 ,2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) for the year	495.21	302.74
Adjustment For :		
Depreciation	644.55	647.84
Interest & Finance charges (Net)	486.59	446.67
Dividend Received	(5.94)	(5.81)
Unrealised gain on fair valuation of Investment	(15.93)	(26.69)
Unrealised Exchange difference loss / (gain)	(4.59)	1.81
Profit (-) / Loss (+) on sale of Investments	-	0.43
Profit (-) / Loss (+) on sale of Assets	(706.12)	(4.50)
Operative Profit before Working Capital Changes	893.77	1,362.50
Adjustment for net change in:		
Trade and Other Receivables	(825.01)	160.18
Inventories	(674.44)	(835.72)
Trade & Other payables	896.88	767.80
Cash generated from operations	291.19	1,454.75
Direct Taxes	(21.07)	(0.06)
Net Cash Generated from operating activities	270.12	1,454.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets (Net)	(947.66)	(443.06)
Sale of Property, Plant & Equipment and Intangible Assets	853.07	4.50
Sale/Purchase of Investment (Net)	0.00	18.51
Purchase of Investment (Net)	(401.62)	-
Dividend received	5.93	5.81
Interest Received	26.58	14.42
Net Cash used in investing activities	(463.70)	(399.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	58.73	(1,495.80)
Proceeds from Short Term Borrowings	(2,567.90)	(140.81)
Issue of Equity Shares	3,041.32	1,311.97
Interest and Financial Charges paid	(530.47)	(487.66)
Net Cash used in financing activities	1.68	(812.30)
D. Net change in Cash and cash equivalents (A+B+C)	(191.90)	242.55
Cash and Cash Equivalents (Opening)	258.3	15.70
Cash and Cash Equivalents (Closing)	66.36	258.26
Notes : 1. Figures in brackets represent cash outflows. 2. Previous year figures have been regrouped wherever necessary. 3. Cash and cash equivalents comprises of :		
	March 31 ,2024	March 31 ,2023
Cash on hand	0.21	0.50
Balances with banks	66.15	257.75
	66.36	258.25

As per our report of even date
For **Pawan Jain & Associates**
Chartered Accountants

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:107867W
Place : Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Mundra
(Company Secretary)

KINETIC ENGINEERING LIMITED

Statement of changes in equity for the period ended March 31, 2024

A. Equity share capital

PARTICULARS	Rs. In Lakhs	
	Number	Amount
As at April 01, 2022	1,87,03,621	1,870.36
Changes in equity share capital	11,72,900	117.29
As at March 31, 2023	1,98,76,521	1,987.65
Change in equity share capital	22.85	228.50
As at March 31, 2024	1,98,76,544	2,216.15

B. Other equity

PARTICULARS	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/Surplus	Other Comprehensive Income	Non-Controlling Interest	(Rs. In Lakhs)	
									Total	
As at April 01, 2022	1,963.52	3,535.19	9,632.81	8,669.25	0.46	(24,301.85)	(96.15)	20.40	-	(576.38)
Increase/ (Decrease)	-	-	1,174.26	-	-	-	(5.98)	-	-	1,168.28
Profit/(Loss) for the year	-	-	-	-	-	309.06	-	(0.33)	-	308.73
Changes during the year	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,992.79)	(102.13)	20.07	-	900.64
As at March 31, 2023	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,992.79)	(102.13)	20.07	-	900.64

PARTICULARS	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/Surplus	Other Comprehensive Income	Non-Controlling Interest	Ind AS Retained Earnings Promoters Loan Repaid	Total
As at April 01, 2023	1,963.52	3,535.19	10,807.07	8,669.25	0.46	(23,992.79)	(102.13)	20.07		900.64
Increase/ (Decrease)	96.00	-	2,513.50	-	-	497.81	(2.60)	431.20	(227.89)	3,308.02
Balance as at March 31, 2024	2,059.52	3,535.19	13,320.57	8,669.25	0.46	(23,494.98)	(104.73)	451.27	(227.89)	4,208.66

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Pawan Jain And Associates
Chartered AccountantsFor and on behalf of Board of Directors
For Kinetic Engineering Limited

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:107867W
Place : Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Mundra
(Company Secretary)

Kinetic Engineering Limited

Notes to Financial Statements for the year ended March 31, 2024

Note - 1 : The Corporate Overview

Kinetic Engineering Limited ('the company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The Registered Office of the Company is situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune. The company's ordinary shares are listed on the Bombay Stock Exchange. The company is engaged in the manufacturing and supply of automotive components. The company caters to both domestic and international markets.

Note - 2 : Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors at its meeting held on May 30, 2023.

2.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

2.3 Basis of Consolidation

The Consolidated financial Statements incorporate the financial statements of the Company, its subsidiary, being entity that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct the relevant activities, which significantly affect the entity returns.

The Consolidated financial Statements include results of the subsidiary Company, consolidated in accordance with ind AS 110 (Consolidated Financial Statements) and Ind AS 28(Investment in Associates and Joint Ventures).

2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions which 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. Actual estimates may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

Estimation of current tax expense and payable – Note 14

Estimation of defined benefit obligation – Note 19 & Note 25

Recognition of revenue – Note 26

Recognition of deferred tax assets for carried forward tax losses – Note 6

Useful lives of property, plant and equipment – Note 3

Impairment of trade receivables – Note 9

Estimation and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

2.6 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle;

It is held primarily for the purpose of trading;

It is expected to be realised within twelve months after the reporting period; or

It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.7 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied by the company prospectively and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme (MEIS) claims are recognised in the statement of profit and loss on receipt basis.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is ascertained on a weighted average basis.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Net realisable 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.

2.9 Property, plant and equipment (PPE)

Recognition and measurement

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Depreciation

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

On PPE acquired on or before 31 March 2000: Depreciation is recognised in the statement of profit and loss on a written down value basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

On PPE acquired after 31 March 2000: 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 property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

Freehold land is not depreciated.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives for main categories of property, plant and equipments are:

Category	Useful life
Building	30 to 60 years
Plant and Machinery	15 to 25 years
Electrical installation and Fittings	10 years
Dies, Jigs & Fixtures	10 to 15 years
Furniture and Fixtures	5 to 15 years
Office Equipments	3 to 5 years
Vehicles	8 to 10 years

2.10 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the company, 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.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

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 estimated useful lives are as follows:

Asset	Useful life
Software	4 Years

2.11 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured at cost less accumulated depreciation.

2.12 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13 Foreign currency transactions and balances

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

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

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

2.14 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises 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 reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and 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 When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. 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.

Compensated absences

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.17 Income tax

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

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 utilised. Unrecognised 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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.18 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Offsetting of financial instruments

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

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.19 Fair value measurement

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;

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.

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

2.20 Provisions and contingencies

A **provision** is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.21 Earnings per share (EPS)

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

2.22 Cash dividend to equity holders

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.23 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

NOTE 3 : FIXED ASSETS												
1ST APRIL 2023 TO 31ST MARCH 2024												
Particulars	Lease-hold Land **	Free-hold Land	Buildings	Tangible Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures	Furniture Fixture	Computers	Office Equipment	Vehicles	In-tangible Technical Know-how **	Balance As At 31st MARCH 2024
(1) GROSS BLOCK : OWNED ASSETS												
As At 1st April, 2023	79.06	2,080.00	3,098.94	15,845.93	216.05	1,951.64	432.00	606.50	17.02	110.61	643.40	25,081.14
Additions	-	-	17.11	446.80	50.61	161.01	2.03	34.09	0.71	-	1.05	713.40
Business Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	185.28	-	-	-	-	-	-	-	-	-	185.28
As At 31st March, 2024	79.06	1,894.73	3,116.05	16,292.73	266.66	2,112.65	434.03	640.59	17.72	110.61	644.45	25,609.27
Depreciation / Amortisation:												
Upto 31st March, 2023	1.39	-	3,003.24	12,477.43	200.73	1,254.44	392.89	577.01	10.51	61.70	618.02	18,597.35
For The April 2023 to 31st March 2024												
Depreciation	1.62	-	7.30	505.96	4.60	97.60	7.07	9.12	0.71	4.49	6.09	644.55
Business Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st March 2024	3.00	-	3,010.54	12,983.39	205.33	1,352.04	399.95	586.13	11.22	66.18	624.11	19,241.90
Net Block As At 31st March 2024	76.06	1,894.73	105.51	3,309.34	61.33	760.61	34.07	54.46	6.50	44.42	20.34	6,367.37
Net Block As At 31st March 2023	77.67	2,080.00	95.71	3,368.50	15.32	697.20	39.11	29.49	6.51	48.91	25.38	6,483.79
** Amortisation Charges For The Year Are In Respect Of Leasehold Land And Technical Know-how.												
(2) GROSS BLOCK : LEASED ASSETS												
As At 1st April, 2023	-	-	-	4.07	-	-	-	-	-	-	-	4.07
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
As At 31st March, 2024	-	-	-	4.07	-	-	-	-	-	-	-	4.07
Depreciation / Amortisation												
Upto 31st March, 2023	-	-	-	4.06	-	-	-	-	-	-	-	4.06
For The April 2023 to 31st March 2024	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st March 2024	-	-	-	4.06	-	-	-	-	-	-	-	4.06
Net Block As At 31st March 2024	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Net Block As At 31st March 2023	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Net Block As At 31st March 2024	76.06	1,894.73	105.51	3,309.35	61.33	760.61	34.07	54.46	6.50	44.42	20.34	6,367.38
Net Block As At 31st March 2023	77.67	2,080.00	95.71	3,368.51	15.32	697.20	39.11	29.49	6.51	48.91	25.38	6,483.80
Gross block includes revaluation of assets made in terms of scheme of Arrangement approved by 'Bombay High court as under												
	Rs. In Lacs											
a) Free Hold Land	2,021											
c) Building	2,169											
c) Lease hold land	441											
INTANGIBLE ASSETS UNDER DEVELOPMENT												
Intangible assets under development aging schedule												
	Amount in CWIP for a period of				(Amount in Rs)							
Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total							
Project in Progress		407.11			407.11							
Project ERP Implementation	12.10				12.10							
Project Site Development	53.21				53.21							
Project Temporality Suspended												
Total					472.43							

Note 4: Investments

4 (a) Non-current investments	(Rs In Lakhs)	
PARTICULARS	March 31 ,2024	March 31, 2023
Investment in Equity instruments (fully paid-up)		
Equity instruments at FVTOCI		
Unquoted		
Kinetic Communications Limited	13.65	12.06
Kinetic Escalator and Elevator Limited	97.22	83.50
Kinetic Marketing & Services Limited		
Kinetic Motor Automotives Private Limited		
Total (equity instruments)	110.86	95.56
Equity instruments at FVTPL		
Investment in preference shares (fully paid-up)		
Preference instruments at FVTPL		
Unquoted		
Kinetic Green Energy and Power Solutions Ltd. [3,71,606 (31 March 2019: 5,90,000) Preference shares of Rs 100 each fully paid up]	371.47	371.47
Total (preference shares)	371.47	371.47
Investment in Shares (classified as FVTOCI)		
Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	0.01	0.01
Eicher Limited	0.03	0.03
Escorts Limited	1.39	0.95
Hindustan Motors Limited	0.03	0.03
LML Limited	0.00	-
Majestic Auto Limited	0.28	0.13
Hero Motocorp Limited (Formerly Hero Motors Limited)	0.05	-
The Premier Automobiles Limited	0.00	0.00
Saraswat Co-operative Bank Limited	0.25	0.25
Yes Bank Limited	-	-
Total (Shares)	2.05	1.40
Investment in Shares (classified as FVTPL)		
Ajinkya Auto Fab Limited	0	0
Total (Shares)		-
Investment in Government Securities (classified as FVTPL)		
7 Years National Savings Certificates	0.24	0.24
Total (Investment in Securities)	0.24	0.24
Investment in Mutual Fund (classified as OCI)		
Investment in SBI Mutual Fund	401.62	
Total Investment in Mutual Fund	401.62	-
Total Non-current investments	886.22	468.65
4(b) Current investments		
PARTICULARS		
Investment in Mutual Fund (classified as FVTPL)		
HDFC Cash Management Fund		
BIRLA Sunlife Saving Fund		
Total current investments		-

Notes to financial statements for the period ended March, 31st, 2024		Rs In Lakhs	
PARTICULARS	March 31, 2024	March 31, 2023	
Note - 5 : Other Non Current Financial Asset			
(a) Security Deposits			
Unsecured, considered good	96.69	128.45	
Doubtful		-	
	96.69	128.45	
Less: Provision for doubtful deposits		-	
	96.69	128.45	
(b) Other Loans and advances			
(i) Advances			
Unsecured, considered good	23.37	15.47	
Doubtful		-	
	23.37	15.47	
Less: Provision for doubtful advances		-	
	23.37	15.47	
(ii) Bills Receivable (Refer Note-40 for details)	206.65	206.65	
Total	326.71	350.58	
Note - 6: Deferred tax assets (Net)			
	-		
Deferred tax liability			
(i) On accumulated depreciation	461.84	461.84	
(ii) On other timing differences		-	
Deferred tax liability (A)	461.84	461.84	
Deferred tax assets			
(i) On disallowance under Section 43B & 40A of Income Tax Act,1961	461.84	461.84	
(ii) On provision for doubtful debts		-	
(iii) On carried forward loss under Income Tax Act,1961		-	
Deferred tax assets (B)	461.84	461.84	
Note - 7: Other Non Current Assets			
(a) Capital Advances			
Unsecured, considered good	45.08	84.95	
Doubtful		-	
	45.08	84.95	
Less: Provision for doubtful advances		-	
	45.08	84.95	
(b) Others	27.93	15.95	
Total	73.01	100.90	

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

PARTICULARS	Rs In Lakhs	
	March 31, 2024	March 31, 2023

Note - 8: Inventories

(i) Raw Materials	611.32	616.42
(ii) Work-in-progress	3,131.13	2,668.51
(iii) Finished goods		-
(iv) Stores and spares	1,359.95	1,143.03
Total	5,102.40	4,427.96

Note - 9: Trade Receivables

(i) Unsecured, considered good	3,154.42	2,933.30
(ii) Unsecured, considered doubtful		-
	3,154.42	2,933.30
Less Allowance for doubtful debts		-
Total	3,154.42	2,933.30

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade receivables are due from firms or private companies respectively in which and director is a partner or a member. Trade Receivables are non-interest bearing and generally on credit terms of 60 to 90 days.

Aging Schedule as on 31st March, 2024

Particulars	Less than 6	6 Months- 1 Year	Total
Unsecured & Considered Good	3,027.08	127.34	3154.42
Unsecured & Considered doubtful	-	-	-

Aging Schedule as on 31st March, 2023

Particulars	Less than 6	6 Months- 1 Year	Total
Unsecured & Considered Good	2,656.55	276.74	2,933.30
Unsecured & Considered doubtful	-	-	-

Note - 10 : Cash and cash equivalents

(i) Balance with Banks	66.15	257.75
(ii) Cash on hand	0.21	0.50
Total	66.36	258.25

Note - 11: Other Bank Balances

(i) Fixed deposits (more than 3 months but less than 12 months)	901.17	33.74
Total	901.17	33.74

Note - 12 : Current Loans

(i) Deposits with Govt. authorities		
Unsecured, considered good	3.65	3.65
Doubtful		-
	3.65	3.65
Less Provision for doubtful advances		-
Total	3.65	3.65

Note - 13: Other Current Financial Assets

(i) Interest Accrued on Investments & Deposits	2.75	3.82
(ii) Receivable of Sale of Undertaking		-
Total	2.75	3.82

Note - 14 : Current Tax Assets(Net)

(i) Advance Income tax net of provision	61.99	40.92
Total	61.99	40.92

Note - 15: Other current assets

(i) Advances to suppliers and others		
Unsecured, considered good	175.96	423.03
Doubtful		-
	175.96	423.03
Less Provision for doubtful advances		-
Total	175.96	423.03

Notes to financial statements for the year ended March 31st, 2024
H. Terms/rights attached to Preference shares

- 1 Each Optionally Convertible Cumulative Preference Share (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs. 146/- per share within 18 months from the date of allotment (i.e. 30.12.2006 wrt. 36,923 shares; and 11.1.2007 wrt. 65,077 shares) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend @ 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottee. If any OCCPS is not converted into equity shares, such unconverted preference shares shall carry preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottee and will be redeemed any time after expiry of a period of 5 years from the date of allotment at the option of the Company subject to necessary consent and approval. The option to convert has lapsed.
- 2 Redeemable Cumulative Preference Shares shall be redeemed at the option of the Company at any time after the expiry of a period of 5 years from the date of allotment i.e. 30.12.2006, subject to necessary consent or approval. They will carry a preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or other date(s) as may be acceptable to the allottee.
- 3 Each Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs.10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to the allottee. If any OCCPS are not converted into equity shares, such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after the expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 4 Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The 8.5% new OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottees. If any 8.5% new OCCPS are not converted into equity shares such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% pa due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 5 On 5th February, 2018, the Company, on request of allottees, has exercised its option for conversion of 9,92,639 (8.5% Optionally Convertible Cumulative Preference shares of Rs. 22/- each with premium of Rs. 67.66 /- each) into equity shares of Rs.10/- with premium of Rs. 81.01 each, ranking pari passu with the existing equity shares of the Company. The company is in the process of obtaining necessary approval from BSE/SEBI in respect of preferential allotment made.
- 6 Classification of Preference Shares.-Preference shareholders have given their "in-principal consent" for waiver of cumulative fixed dividend on their preference shares and for converting them into equity shares as per the applicable laws. In view of the above, no provision for dividend under finance cost has been considered necessary & it is considered as other equity.

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

Note-16: Share Capital

A. Authorised Share Capital

(i) Equity Share Capital	Number	Rs. In Lakhs
Authorised shares as at April 01, 2023	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2024	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total authorised Equity share capital as at 31 March, 2024	5,30,13,932	5,301.39
(ii) Preference Share Capital	Number	Rs. In Lakhs
Authorised shares as at April 01, 2023	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2024	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total authorised Preference share capital as at 31 March 2024	4,22,23,780	14,289.43
Total authorised Share capital as at 31 March 2024	9,52,37,712	19,590.83

B. Issued, Subscribed & fully Paid Up Share Capital

(i) Equity Share Capital	Number	Rs. In Lakhs
Balance as at April 01, 2023	187.04	1,870.36
Changes during the period	11.73	117.29
Balance as at March 2024	198.77	1,987.65
Changes during the period	22.850	228.50
Balance as at March 31, 2024	221.62	2,216.15

C. Details of equity shareholders holding more than 5% shares

Name of shareholder	March 31, 2024		March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jayashree A. Firodia	39,25,222	17.71%	34,75,222	17.48%
Microage Instruments pvt ltd.	55,22,993	24.92%	48,32,993	24.32%
Ashoka Investment Holdings Limited	17,50,452	7.90%	17,50,452	8.81%
Ajinkya Arun Firodia	26,42,624	11.92%	24,17,624	12.16%

D. Terms/rights attached to equity shares

- 1 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 distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Note 17: Other Equity

PARTICULARS	March 31 ,2024	Rs in Lakhs March 31, 2023
A. PREFERENCE SHARE CAPITAL		
a) 1,02,000 Optionally Convertible Cumulative Preference Shares of Rs. 156/- each (Note no.17 H-1)	159.12	159.12
b) 3,20,500 Redeemable Cumulative Preference Shares of Rs. 156/- each.(Note no.17 H-2)	499.98	499.98
c) 8,30,154 Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.17 H-3)	539.60	539.60
d) 11,76,650 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.18 H-4)	764.82	764.82
e) 80,000 Optionally Convertible Cumulative Preferences Shares of Rs. 120 each	96.00	
Total	2,059.52	1,963.52
B. Capital Reserves		
Opening Balance	3,535.19	3,535.19
(+)/(-) Transfer	-	-
Closing Balance	3,535.19	3,535.19
C. Securities Premium Account		
Opening Balance	10,807.07	9,632.81
(+)/(-) Transfer	2,513.50	1,174.26
Closing Balance	13,320.57	10,807.07
D. General Reserve		
Opening balance	8,669.25	8,669.25
(+)/(-) Transfer	-	-
Closing Balance	8,669.25	8,669.25
E. Special Reserve		
Opening balance	0.46	0.46
(+)/(-) Transfer	-	-
Closing Balance	0.46	0.46
F. Surplus		
Opening balance	(24,090.92)	(24,398.01)
(+) Ind AS Retained Earnings Promoters Loan Repaid	(227.89)	
Other Comprehensive Income	-	(5.98)
(+) Net Profit / (Net Loss) for the current year KEL	521.51	313.08
(+) Fair Value revaluation balance of Investment sold KEL	15.93	-
(+)Re-measurement of net defined benefit plan KEL	-20.15	
(+)Re-measurement of net defined benefit plan KWL	1.23	
Profit Share in KWVL	-21.22	
Closing Balance	(23,821.50)	(24,090.92)
Total (A+B+C+D+E+F)	3,763.50	884.57
G. Non- Controlling Interest		
7.54% in Kinectic Watts & Volt Ltd		
Equity Share Capital	451.60	20.4
(+) Net Profit / (Net Loss) for the earlier period	(1.06)	
(+) Net Profit / (Net Loss) for the current year KWL	(5.77)	-0.33
(+)Re-measurement of net defined benefit plan KWL	0.40	
	445.17	20.07
Total (A+B+C+D+E+F)	4,208.66	904.65

Notes to financial statements for the period ended March 31st, 2024

PARTICULARS	Total	Rs. In Lakhs
	March 31 ,2024	March 31, 2023
Note - 18: Non Current Borrowings		
Secured		
(a) Term Loans from Banks	2,509.26	762.23
Unsecured		
(a) Loans and advances from related parties	50.00	1,090.59
(b) Term Loans from Others	350.20	434.20
Total	2,909.46	2,287.02
Note -19: Non Current Provisions		
Provision for employee benefits :		
(a) Gratuity	165.81	218.59
(b) Leave Encashment	32.20	38.29
Total	198.01	256.88
Note -20: Other Non Current Liabilities		
(a) Others		
(i) Remeasurement of Long Term Liabilities	33.20	650.67
(ii) Payable to Related Party	493.47	456.73
	526.68	1,107.40
Note - 21: Current Borrowings		
Secured		
(a) Cash Credit Facility from Banks	420.97	993.95
Unsecured		
(a) Overdraft Facility from Banks	-0.03	1,340.88
(b) Short Term Loan From Bank	0.00	654.01
Total	420.94	2,988.84
Cash credit from banks are repayable on demand and are secured by hypothecation of Stock and Debtors and pari-passu second charge on factory land and building at Ahmednagar.		

Notes to financial statements for the period ended March 31st, 2024

PARTICULARS	March 31 ,2024	March 31 ,2023
Note - 22: Trade payables		
Unsecured :		
(a) Trade payables	4,216.44	4,253.80
Total	4,216.44	4,253.80

Aging Schedule as on 31st March, 2024

Particulars	Less than 6	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	348.73	84.72	433.45
Creditors other than MSME	3,176.89	606.10	3,782.99

Aging Schedule as on 31st March, 2023

Particulars	Less than 6	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	382.12	87.69	469.814
Creditors other than MSME	2,892.92	891.07	3783.986

Note - 23: Other Current Financial Liabilities

(a) Current maturities of long-term debt	413.71	377.16
(b) Interest accrued and due on borrowings		
(c) Interest accrued but not due on borrowings	5.77	6.93
(d) Other payables		
(i) Premium payable on Redemption of Debentures	35.20	35.20
(ii) Capital Creditors		58.84
(iii) Other Liabilities	248.05	252.66
Total	702.73	730.79

Note - 24: Other Current Liabilities

(a) Other payables		
(i) Advance against Sales	1.03	665.79
(ii) Advance against Sales of Assets	1,738.64	-
(iii) Other Liabilities	115.33	106.16
Total	1,855.00	771.95

Note - 25 : Current Provisions
Provision for employee benefits :

(a) Gratuity	314.55	385.38
(b) Leave Encashment	25.81	18.22
Total	340.36	403.60

Notes to financial statements for the period ended March 31st, 2024

Rs. In Lakhs

25.1 Employee benefits**a) Defined contribution plans****(i) Provident fund**

The Company operates plan for its employees to provide employee benefits in the nature of "Provident fund" and "Employee Pension Schemes". Contributions are made at the rate as prescribed in the regulations. The Company has recognised following amount in the statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
Provident fund	54.13	48.91
Employees Pension Scheme	63.36	60.34
Total	117.49	109.25

b) Defined benefit plan**(i) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with Reliance Nippon Life Insurance Company Limited of India, to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

Particulars	March 31, 2024	March 31, 2023
Gratuity		
Non-current	165.81	218.59
Current	314.55	385.38
Total	480.36	603.97

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

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning of the period	605.14	752.20
Interest cost	37.92	46.47
Current service cost	15.98	17.79
Benefits paid	(199.08)	(231.14)
Remeasurements on obligation - (gain) / loss	21.21	19.82
Present value of obligation as at the end of the period	481.16	605.14

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	March 31, 2024	March 31, 2023
Fair value of plan assets at the beginning of the period	25.93	24.50
Adjustment to opening funds		0
Interest income	1.94	1,815.72
Contributions	0	59.15
Benefits paid	-	(58.38)
Mortality charges and Taxes	(0.45)	(0.46)
Transfer In / (Out)		-
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	1.06	(0.70)
Fair value of plan assets as at the end of the period	28.48	25.93

Amounts recognised in the balance sheet are as follows:

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the end of the period	481.16	605.14
Fair value of plan assets as at the end of the period	28.47	25.93
Surplus / (deficit)	(452.68)	(579.21)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	March 31, 2024	March 31, 2023
Current service cost	15.98	17.79
Net interest (income) / expense	35.98	44.66
Net periodic benefit cost recognised in the statement of profit and loss	51.95	62.45

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	March 31, 2024	March 31, 2023
Remeasurement for the year - obligation (gain) / loss	(31.60)	19.82
Remeasurement for the year - plan assets (gain) / loss	20.15	(52.48)
Total remeasurements cost / (credit) for the year	(11.45)	(32.67)

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	March 31, 2024	March 31, 2023
Interest (income) / expense - obligation	37.92	46.47
Interest (income) / expense - plan assets	(1.94)	(1.82)
Net interest (income) / expense for the year	35.98	44.66

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.50%
Rate of increase in compensation levels	3.00%	3.00%
Expected rate of return on plan assets	7.50%	7.30%
Expected average remaining working lives of employees (in years)	6.84%	16.16%
Withdrawal rate		
Age upto 30 years	10.00%	1.00%
Age 31 - 40 years	10.00%	1.00%
Age 41 - 50 years	10.00%	1.00%
Age above 50 years	10.00%	1.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumptions are shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%) at a time:

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

Discount rate	March 31, 2024	Present value of obligation March 31, 2023
Decrease by 1%	490.51	618.62
Increase by 1%	472.54	593.13

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	March 31, 2024	Present value of obligation March 31, 2023
Decrease by 1%	474.77	595.20
Increase by 1%	488.03	616.22

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

Withdrawal rate	March 31, 2024	Present value of obligation March 31, 2023
Decrease by 1%	479.35	600.80
Increase by 1%	482.82	609.03

Notes to financial statements for the period ended March 31, 2024

PARTICULARS	Total	Rs In Lakhs
	March 31 ,2024	March 31, 2023
Note - 26: Revenue from operations		
(a) Sale of Products	14,292.27	13,517.91
(b) Machining and Processing Receipts	14.31	6.59
(c) Other operating revenue	10.55	13.56
Total	14,317.12	13,538.06
Note - 27: Other income		
(a) Interest Income		
(i) On Fixed Deposits	22.22	12.50
(ii) From Others	3.29	2.24
(b) Dividend Income from:		
(i) Long Term Investment	5.94	5.81
(ii) Short Term Investment		
(c) Profit / (Loss) on sale of Assets	706.12	4.50
(d) Profit / (Loss) on sale of Investments		(0.43)
(e) Sundry Credit Balances Written Back	5.46	0.15
(f) Excess Provision Written Back		
(g) Amortisation of deferred financial assistance		
(i) From related parties	-	144.08
(ii) From others	33.20	33.20
(h) Fair Valuation (Gain)/Loss on Investments		-
(i) Others	110.15	10.83
Total	886.39	212.87
Note - 28 : Cost of material consumed		
(a) Raw Material Consumed	6,688.97	6,060.35
(b) Stores and Spares Consumed	1,133.81	1,069.88
(c) Fabrication and Processing Charges	479.43	441.32
(d) Freight, Octroi and Forwarding Charges	70.27	61.74
Total	8,372.47	7,633.30
Note - 29: Changes in inventories of finished goods and work-in-progress		
Inventory at the end of the year		
(a) Finished Goods		
(b) Work-In- Progress	3,131.13	2,668.51
Total	3,131.13	2,668.51
Inventory at the beginning of the year		
(a) Finished Goods		
(b) Work-In- Progress	2,668.51	2,129.10
Total	2,668.51	2,129.10
Increase (-) / decrease (+) in inventories	(462.62)	(539.41)

Notes to financial statements for the period ended March. 31, 2024

PARTICULARS	Rs In Lakhs	
	March 31 ,2024	March 31, 2023
Note - 30: Employee benefit expenses		
(a) Salaries & wages	1,833.34	1,663.71
(b) Contributions to provident and other funds	126.94	132.42
(c) Gratuity	52.40	26.26
(d) Staff welfare expenses	127.91	81.38
Total	2,140.59	1,903.77
Note - 31: Finance costs		
(a) Interest expense	512.05	467.09
(b) Unwinding of Loans		
(i)Related party loans	-	128.72
(ii)Other loans	16.00	22.93
(c) Other Borrowing Costs	17.26	19.96
Total	545.31	638.69
Note - 32: Other expenses		
(a) Power & Fuel	1,595.79	1,627.70
(b) Repairs and Maintenance:		
(i)Plant and Machinery	142.85	130.55
(ii)Buildings	13.66	13.86
(iii)Others	4.45	2.43
(c) Contract Labour cost	1,067.65	876.93
(d) Rent	18.00	31.25
(e) Outward Freight Charges	154.12	119.89
(f) Packing and Forwarding Charges	43.37	68.32
(g) Legal, Professional & Consultancy Fee	179.03	151.46
(h) Rates and taxes	12.66	11.96
(i) Travelling Expenses	26.20	37.47
(j) Insurance	32.85	6.88
(k) Payments to auditor (Refer details below)	5.00	4.91
(l) Exchange (Gain) / Loss	(75.94)	(141.71)
(m) Custom Duty Paid (Net)	1.32	2.81
(n) Publicity & Sales Promotion	3.95	8.25
(o) Directors Fees & Travelling Expenses	2.02	2.23
(p) Maintenance Other	38.12	31.37
(q) Miscellaneous Expenses	242.17	182.07
	3,507.28	3,168.62
Less: Expenses Capitalised	41.88	10.59
Total	3,465.41	3,158.03
<u>Details of payments to Auditors</u>		
Audit Fee	3.40	3.55
Tax Audit Fee	0.60	0.60
Limited review and Certification work	1.20	0.80
Total	5.20	4.95

Notes to financial statements for the year ended March 31,2024**Note 33 Income Taxes**

As per Ind As 12 An explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms need to be disclosed:

– a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

or

– a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

The above said reconciliation will not arise in situations where there is accounting losses to taxable Income.

Note 34 Financial instruments – Fair values and risk management

		Carrying amount				Fair value			Rs. In Lakhs
March 31, 2024	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total	
Non-Current Financial Assets									
Investments									
Quoted Equity Instruments	-	-	2.05	2.05	2.05	-	-	2.05	
Unquoted Equity Instruments *	-	-	110.86	110.86	-	110.86	-	110.86	
Unquoted Preference Shares	-	371.47	-	371.47	-	-	371.47	371.47	
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24	
Current Financial Assets									
Current Investments	-	-	-	-	-	-	-	-	
Trade Receivables	3,154.42	-	-	3,154.42	-	-	-	-	
Cash and Cash Equivalents	66.36	-	-	66.36	-	-	-	-	
Other Bank Balances	901.17	-	-	901.17	-	-	-	-	
Loans	3.65	-	-	3.65	-	-	-	-	
Other Financial Assets	2.75	-	-	2.75	-	-	-	-	
	4,128.35	371.71	112.91	4,612.98	2.05	110.86	371.71	484.62	
Non-Current Financial Liabilities									
Borrowings	2,909.46	-	-	2,909.46	-	-	-	-	
Current Financial Liabilities									
Borrowings	420.94	-	-	420.94	-	-	-	-	
Trade Payables	4,216.44	-	-	4,216.44	-	-	-	-	
Other Financial Liabilities	702.73	-	-	702.73	-	-	-	-	
	8,249.56	-	-	8,249.56	-	-	-	-	
31st march, 2023		Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total	
Non-Current Financial Assets									
Investments									
Quoted Equity Instruments	-	-	1.40	1.40	1.40	-	-	1.40	
Unquoted Equity Instruments *	-	-	95.56	95.56	-	95.56	-	95.56	
Unquoted Preference Shares	-	371.47	-	371.47	-	-	371.47	371.47	
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24	
Current Financial Assets									
Current Investments	-	-	-	-	-	-	-	-	
Trade Receivables	2,933.30	-	-	2,933.30	-	-	-	-	
Cash and Cash Equivalents	258.25	-	-	258.25	-	-	-	-	
Other Bank Balances	33.74	-	-	33.74	-	-	-	-	
Loans	3.65	-	-	3.65	-	-	-	-	
Other Financial Assets	3.82	-	-	3.82	-	-	-	-	
	3,232.76	371.71	96.96	3,701.43	1.40	95.56	371.71	468.67	
Non-Current Financial Liabilities									
Borrowings	2,287.02	-	-	2,287.02	-	-	-	-	
Current Financial Liabilities									
Borrowings	2,988.84	-	-	2,988.84	-	-	-	-	
Trade Payables	4,253.80	-	-	4,253.80	-	-	-	-	
Other Financial Liabilities	730.79	-	-	730.79	-	-	-	-	
	10,260.45	-	-	10,260.45	-	-	-	-	

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of instrument is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to financial statements for the year ended March 31, 2024
Note 35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

(A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been made for expected credit loss for credit risk arising from these financial assets.

Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The credit risk is considered low given the past experience of negligible or minimal write-offs.

The ageing of trade receivables are as follows:

	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Not past due date	2,374.08	2,099.45
Past due 1–90 days	406.41	542.97
Past due 91–180 days	246.59	14.13
Past due more than 180 days	127.34	276.74
Total Trade receivables	3,154.42	2,933.30

(B) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The company has obtained fund based / Non-fund based working capital facilities from banks.

Exposure to liquidity risk

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity group based on their contractual maturities:

	Rs. In Lakhs		
March 31, 2024	< 1 year	1 to 3 years	> 3 years
Non-derivative liabilities			
Borrowings	420.94	939.84	1,969.62
Trade payables	4,216.44	-	-
Other financial liabilities	702.73	-	-
Total non-derivative liabilities	5,340.10	939.84	1,969.62
March 31, 2023	< 1 year	1 to 3 years	> 3 years
Non-derivative liabilities			
Borrowings	2,988.84	1,091.18	1,195.84
Trade payables	4,253.80	-	-
Other financial liabilities	730.79	-	-
Total non-derivative liabilities	7,973.43	1,091.18	1,195.84

(C) Market risk**(i) Foreign currency risk**

Foreign currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency which is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

(a) The Company's exposure to foreign currency risk at the end of the year are as follows :-

Particulars	Currency	Exposure in F.C.	Amt.In Lakhs
			Exposure in INR
Financial Assets			
Trade receivables	USD		
As at March 31, 2024		13.02	1,063.07
As at March 31,2023		13.79	1,114.93
Financial Liabilities			
Trade Payables	USD		
As at March 31, 2024		0.07	5.91
As at March 31,2023		0.08	6.37
Net Exposure as at March 31,2024		12.95	1,057.16
Net Exposure as at March 31,2023		13.71	1,108.56

(b) Sensitivity analysis:

		Rs. In Lakhs	
		Impact on profit before tax	
		March 31, 2024	March 31, 2023
USD sensitivity			
INR/USD -Increase by 5% *	✓	52.86	55.44
INR/USD -Decrease by 5% *	✓	(52.86)	(55.44)

*Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company Interest rate risk is linked to PLR rates therefore subject to interest rate risk, carrying amount and future cash flows will fluctuate because of change in the market interest rates (PLR Rates).

Sensitivity:

Change		Rs. In Lakhs	
		Impact on profit before tax	
		March 31, 2024	March 31, 2023
25 Basis Points increase	✓	13.63	(15.97)
25 Basis Points decrease	✓	-13.63	15.97

Notes to financial statements for the year ended March 31, 2024**Note 36 Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position are as follow:

Particulars	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Net debt	3,330.40	5,275.86
Less: Cash and Cash Equivalents	967.53	291.99
Less: Current Investments	-	-
Adjusted net (Cash)/Debt	2,362.87	4,983.87
Total equity	6,424.82	2,888.28
Net debt to equity ratio	0.37	1.73

Note 37 Segment Reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available which involves predominantly one operating segment i.e. automotive components.

Note 38 Contingencies and commitments

Particulars	Rs. In Lakhs	
	March 31, 2024	March 31, 2023
Contingent Liabilities:		
a. Income Tax matter under appeal approx	5.75	5.75
b. Sales Tax matter under appeal	9.17	9.17
c. Excise Duty in dispute	111.74	111.74
d. ESIC liability in dispute	1.26	1.26
e. Municipal property Tax in dispute	9.16	9.16
f. Labour Cases	37.92	50.54
g. Entry Tax in dispute	6.19	6.19
h. Other Compensation Matters	20.00	20.00
i. Claim against Company not acknowledged as debt	26.07	26.07
Commitments :	-	-
On Capital Account	390.70	262.92

Note 39 Earnings per share

Particulars	March 31, 2024	March 31, 2023
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	495.21	302.74
b) Weighted average number of equity shares outstanding (Nos.)	2,21,61,521	1,98,76,521
c) Earnings per share		
- Basic and diluted	2.23	1.52

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

Note 40 Company has purchased six bills of exchange and paid Rs. 206.65 Lakhs (Rs. 206.65 Lakhs) for the same. These bills have matured but have not been honoured. Company has filed suits in the High Court of Judicature at Bombay.

Note 41 Issue of **4550** (4550) Bonus Shares and **480** (480) Rights shares have been kept in abeyance as per the provisions of the Companies Act.

Note 42 In terms of the Notification dated March 31, 2009 by The Ministry of Corporate Affairs amending the erstwhile Ind AS -21 "The Effects of Changes in Foreign Exchange Rates", the company had exercised the option to recognize the exchange difference on long term non-monetary items retrospectively from the accounting period 2007-08. Such exchange differences relating to the acquisition of capital assets are adjusted to the cost of capital and would be depreciated over the balance life of the asset. Exchange difference amounting to **Rs. 373.90** Lakhs (Rs. 552.29 Lakhs) has been carried in the Fixed Assets as on March 31, 2024.

Note 43 Disclosure as required under Micro Small and Medium Enterprises Development Act, 2006
Rs in Lakhs

PARTICULARS	As at March 31, 2024
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	433.45
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	12.72
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-
iv. The amount of interest due and payable for the year	12.72
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	12.72

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information made available with the company.

Note 44 In view of the expected growth in Indian Automobile Industry and business potential of the company, the company expects growth in its turnover and financial position. Based on these future prospects, the financial statements of the company have been prepared on going concern basis.

Note 45 Related Party Transactions
a) Name of Related Parties

Jaya Hind Sciaky Ltd.
Kinetic Communications Ltd.
Microage Instruments Pvt. Ltd.
Kinetic Hyundai Elevator & Movement Technologies Ltd.
Kinetic Green Energy & Power Solutions Limited.
Motoroyale (India) Private Ltd. (Erstwhile Norton Motoroyale India Private Ltd.)
Kinetic Watts & Volts Limited.

b) Key Management Personnel

Chairman
Managing Director & CFO
Chief Executive Officer
Company Secretary
Non-executive directors

Mr. Arun Hastimal Firodia
Mr. Ajinkya Arun Firodia
Mr. Chaitanya Koranne
Mr. Chaitanya Mundra
Mrs. Jayashree Arun Firodia
Mrs. Sulajja Firodia Motwani
Mr. Ramesh Jankiram Kabra
Mr. Shirish Ratanlal Kotecha
Mr. Rohit Prakash Bafana
Mr. Jinendra Hirachand Munot
Mr. Venkataiah Madipalli

c) Transactions and balances with related parties have been set out below:

Particulars	March 31, 2024	March 31, 2023
Jaya Hind Sciaky Ltd.		
Reimbursement of Expenses	-	-
Job Work Charges Paid	-	-
Kinetic Green Energy & Power Solutions Limited		
Sales of Goods	955.66	558.37
Reimbursement of Expenses	27.49	29.77
Rent Received	133.59	2.10
Purchase of Goods	39.41	-
Paint Shop Work	7.67	-
Kinetic Hyundai Elevator & Movement Technologies Ltd.		
Dividend Received	5.4	5.40
Kinetic Communication Ltd		
Dividend Received	0.48	0.32
Reimbursement of expenses received from KCL	1.07	1.18
Sales of Goods	-	-
Micro Age Instruments Pvt Ltd		
Reimbursement of expenses received from MAIPL	-	5.31
Consultancy Charges Received	-	-
Electricity Charges Paid (Solar)	102.92	86.00
Remuneration to Key Managerial Persons		
Mr. Ajinkya Firodia	98.71	98.99
Mr. Chaitanya Koranne (Professional Fees)	14.42	28.58
Mr. Chaitanya Mundra	15.07	12.73
Director Sitting Fee		
Mr. Shirish Ratanlal Kotecha	0.41	0.60
Mrs. Jayashree Arun Firodia	0.28	0.28
Mr. Rohit Prakash Bafna	0.50	0.36
Mr. Jinendra Hirachand Munot	0.26	0.50
Mr. Ramesh Jankiram Kabra	-	0.12
Mr. Venkataiah Madipalli	0.50	0.38
Mr. Dattatray Navale	0.07	-

Notes to financial statements for the year ended March 31, 2024**Note-46 Ratios**

Sr No	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023
a)	Current Ratio (Times)	Current Assets	Current Liabilities	1.26	0.89
b)	Debt- Equity Ratio (Times)	Net Debt	Equity	0.37	1.73
c)	Debt Service Coverage Ratio (Times)	PBIDTA	Principal + Interest Repayment of loans during the year	1.83	1.70
d)	Return on Equity Ratio (Percentage)	Net Profit	Average Shareholders' Equity	10.69%	14.84%
e)	Inventory Turnover Ratio (Times)	Cost of Material Consumed	Average Inventory	1.66	1.77
f)	Trade Receivables Turnover Ratio (Times)	Total Sales	Average Trade Receivables	4.70	4.52
g)	Trade Payables Turnover Ratio (Times)	Total Purchases	Average Trade Payables	2.58	2.37
h)	Net Capital Turnover Ratio (Times)			NA	NA
i)	Net Profit Ratio (Percentage)	Net Profit	Total Sales	3.48%	2.28%
j)	Return on Capital Employed (Percentage)	PBIDTA	Average Capital Employed	6.86%	6.0%

Notes

- i) Current Ratio has improved due to better efficiency and performance.
ii) Debt- Equity Ratio improved on account of conversion of loan into equity, repayment of terms loans and improvement in profitability.
iii) Return on Equity ratio has gone down due to increase in equity.
iv) Net Profit Ratio and Return of Capital Employed has improved because of increase in Turnover and better efficiency.

Note-47 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
(ii) The Company does not have any investment property.
(iii) There is no revaluation of Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year, hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
(iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
(v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
(vi) The Company has been sanctioned facilities from banks on the basis of security of current assets in excess of Rs 5 Cr. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company taking into account notes given in the said statements.
(vii) The Company has not been declared as wilful defaulter by any of the lenders.
(viii) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2024
(ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2024.
(x) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
(xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
(xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(xiii) The Company has not operated in any crypto currency or Virtual Currency transactions.
(xiv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Note-48 Provision for Current Tax

No provision for current tax has been made since there is no taxable income in view carried forward business losses and unabsorbed depreciation.

Note- 49 Figures for the previous year have been regrouped/ reclassified, wherever necessary, to confirm current year's classification.

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:107867W
Place : Pune
Date: 30th May 2024
UDIN: 24032900BKFCBG6544

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Chaitanya Koranne
(Chief Executive Officer)

Chaitanya Mundra
(Company Secretary)



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Kinetic Group



@thekineticindia



The Kinetic India



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